



**DRAFT ANNUAL BUDGET
OF
NDWEDWE LOCAL MUNICIPALITY
FOR
2019/2020 TO 2021/2022**

**MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK
(MTREF)**

Copies of this document can be viewed:

- **In the municipal buildings receptions and**
- **At Ndwedwe main library and mobile library at
Bhamshela**
 - **At Ndwedwe Thusong centre**
 - **At www.ndwedwe.gov.za**

Table of Contents

PART 1 – ANNUAL BUDGET

- 1.1 Mayor's Report
- 1.2 Council Resolutions
- 1.3 Executive Summary
- 1.4 Annual Budget Tables

PART 2 – SUPPORTING DOCUMENTATION

- 2.1 Overview of Annual Budget Process
- 2.2 Overview of Alignment of Annual Budget with IDP
- 2.3 Measurable Performance Objectives and Indicators
- 2.4 Overview of Budget Related Policies
- 2.5 Overview of Budget Assumptions
- 2.6 Overview of Budget Funding
- 2.7 Expenditure On Allocations and Grant Programmes
- 2.8 Allocations and Grants Made by The Municipality
- 2.9 Councillor and Board Member Allowances and Employee Benefits
- 2.10 Monthly Targets for Revenue, Expenditure and Cash Flow
- 2.11 Contracts Having Future Budgetary Implications
- 2.12 Capital Expenditure Details
- 2.13 Legislation Compliance Status
- 2.14 Other Supporting Documents
- 2.15 Municipal Manager's Quality Certification

ABBREVIATIONS & ACRONYMS

AFS	Annual Financial Statements
BSC	Budget Steering Committee
BTO	Budget & Treasury Office (Finance)
CFO	Chief Financial Officer
DORA	Division of Revenue Act
DORB	Division of Revenue Bill
COGTA	Co-operative Governance & Traditional Affairs
EXCO	Executive Committee
FMG	Financial Management Grant
GDP	Gross Domestic Product
GRAP	Generally Recognised Accounting Practice
HIV/AIDS	Human Immune Deficiency Virus / Acquired Immune Deficiency Syndrome
IDP	Integrated Development Plan
IT	Information Technology
NDW	Ndwedwe Municipality
MANCO	Management Committee
MBRR	Municipal Budget and Reporting Regulations
MFMA	Municipal Finance Management Act 2003 (Act No. 56 of 2003)
MIG	Municipal Infrastructure Grant
MM	Municipal Manager (Accounting Officer)
MPCCs	Multi-Purpose Community Centres
MPRA	Municipal Property Rates Act 2004 (Act No. 6 of 2004)
MSA	Municipal Systems Act 2000 (Act No. 32 of 2000)
MSIG	Municipal Systems Improvement Grant
MTREF	Medium Term Revenue & Expenditure Forecast
MV	Market Value
NT	National Treasury
PPP	Public-Private Partnerships
PSI	Public Service Infrastructure
PT	Provincial Treasury
SALGA	South African Local Government Association
SDBIP	Service Delivery & Budget Implementation Plan
VAT	Value-Added Tax

PART 1 – ANNUAL BUDGET

1.1 MAYOR'S REPORT

The Mayor's report will be presented by the Mayor at Council.

1.2 COUNCIL RESOLUTIONS

The following resolutions approving the 2019/2020 – 2021/2022 MTREF are submitted to Council for consideration and adjusted where necessary:

1. **THAT** in terms of Section 16(1) and (2) of the Municipal Finance Management Act, 56 of 2003: -
The Draft Annual Budget of the Municipality for the Financial year 2019/2020; and indicative allocations for the two projected outer years 2020/2021 and 2021/2022; and the multi – year and single year capital appropriations be approved as set out in budget table A1 to A10
2. **THAT** the draft Tariff of charges for the 2019/2020 financial year be approved and adopted.
3. **THAT** Council approves the draft budget related policies with effect from 01 July 2019.
4. **THAT** the following measurable performance indicator for revenue collections be set: Property rates income: the minimum collection rate of 70% to 80%
5. **THAT** in terms of the priority in the execution of the capital budget, priority should first be given to all projects that have been rolled over of which are primarily grant funded.
6. **THAT** any savings on the capital budget to be retained and not transferred to any other vote to ensure that the municipal financial sustainability is maintained.

1.3 EXECUTIVE SUMMARY

1.3.1 Background

Section 16 (1) of the Municipal Finance Management Act no 56 of 2003 indicates that, the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. Subsection (2) further states that in order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

As such the Council is presented with the Draft Annual Budget for 2019/2020 MTERF in compliance with Section 16 (1) and (2) of the MFMA and Municipal Budget & Reporting Regulations.

1.3.2 Discussion

The application of sound financial management principles for the compilation of the municipality's financial plan is vital and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all municipalities. The municipality business and service delivery priorities were reviewed as part of this year's planning and budget process where appropriate funds were transferred from low to high priority programmes so as to maintain sound financial stewardship.

A critical review was also undertaken of expenditures on non-core and 'nice to have' items. The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by customers. Furthermore, the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring people lead government.

The budget/IDP process occurred according to the budget timetable approved by the council in August 2018. This ensures compliance with the MFMA and subsequent circulars in the preparation and approval of 2019/2020 draft budget / IDP. The Budget and Medium Term Revenue and Expenditure Framework (MTREF) was also prepared taking cognizance of the contents of the Municipal Finance management act No 56 of 2003, circular No. 93, circular No 94 and the MFMA budget formats Guide received from National Treasury.

The main challenges experienced during the compilation of the 2019/2020 MTREF can be summarized as follows:

- Slow pace of Town development and proclamation thereof,
- High number of poorly maintained community access roads or non-existent at all.
- Substantial need of community infrastructure e.g. Sports fields.
- The perpetual increase of Eskom electricity supply hence cost of supplying water supply by District Council also increases.
- The need to increase municipal fleet in order to meet minimum service delivery standards.
- Maintain an adequate balance filling of the vacant posts and budget percentage of salaries against overall budget.
- The high prevalent of indigent households within Ndwedwe municipality.
- Lack of revenue base.
- Producing a balanced, credible and funded budget taking into account realistically anticipated revenues under these on-going difficulties in the national and local economy;
- The need to re-prioritise projects and expenditure within the existing resource envelop given the cash flow realities and declining cash position of the municipality;

The Ndwedwe Municipality's Medium Term Revenue Expenditure Framework complies with all legal requirements which are as follows:

- The Constitution 1996 (Act No. 108 of 1996),
- The Local Government: Transition Act 1993 (Act No. 209 of 1993),
- The Municipal Systems Act no 32 of 2000 and regulation,
- The Municipal Finance Management Act 56 of 2003 and regulation,
- The Municipal Structures Act 1998 (Act No. 117 of 1998),
- Municipal Budget & Reporting Regulations issued by NT,
- MFMA Circulars published by NT and
- Division of Revenue Act

The municipality is consistent with the 2018/19 budget; the 2019/20 budget focuses on the priorities of Council as outlined in the IDP. There are listed below:

- Basic Service Delivery
- Municipal Institutional Development and Transformation
- Local Economic Development (LED)
- Municipal Financial Viability and Management
- Good Governance and Public Participation
- Safe and Secure Environment
- Spatial Analysis
- Environmental Management

The following budget principles and guidelines directly informed the compilation of the 2019/2020 MTREF:

- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI.
- The fixed operational cost and contracted services expenditure to take presiding in the allocation of available budget.
- This budget is zero based
- Zero-based budgeting is defined as a process where every department function is reviewed comprehensively and each expenditure must be approved, rather than increased
- It requires the budget request to be justified in complete detail by each department rather than just increasing its expenditure from the previous year.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2019/2020 Medium-term Revenue and Expenditure Framework:

Table 1: Consolidated Overview of the 2019/2020 MTREF

Description	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand					
Total Revenue (excluding capital transfers and contributions)	163 975	165 063	183 483	193 286	206 924
Total Expenditure	191 571	192 105	179 478	185 270	196 185
Surplus/(Deficit)	(27 596)	(27 042)	4 006	8 016	10 739
Transfers and subsidies - capital	29 267	29 267	29 809	31 306	33 460
Surplus/(Deficit) for the year	1 671	2 225	33 815	39 322	44 199
Total Capital Expenditure - Functional	71 491	62 872	65 848	31 906	33 460

Total operating revenue is expected to grow by 10 per cent or R18,4 million for the 2019/2020 financial year when compared to the 2018/2020 Adjusted Budget. For the two outer years, operational revenue will increase by 5 and 7 per cent respectively, equating to a total revenue growth of R41,9million over the MTREF when compared to the 2018/2019 financial year.

Total operating expenditure for the 2019/2020 financial year is expected to decrease by R12,6 million or 7 per cent when compared to the 2018/2019 Adjusted Budget. Operational expenditure is expected to increase by 5.8 million and 10, 9 million respectively for the two outer years.

The proposed capital budget of R65,8 million for 2019/2020 is 5 per cent more when compared to the 2018/2019 Adjusted Budget.

Table 2: Proposed Capital Funding

Vote Description	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Funded by:							
National Government	29 267	29 267	29 267	29 267	29 809	31 306	33 460
Provincial Government							
District Municipality							
Other transfers and grants							
Transfers recognised - capital	29 267	29 267	29 267	29 267	29 809	31 306	33 460
Borrowing							
Internally generated funds	42 224	33 605	33 605	33 605	36 039	600	
Total Capital Funding	71 491	62 872	62 872	62 872	65 848	31 906	33 460

The above table illustrates the funding model of the capital project, where the larger portion of it will be funded from internal funding and the rest will be funded by the national grant i.e. MIG

1.3.4 Operating budget

1.3.4.1 Operating revenue framework

In order for the municipality to continue with its mandate to provide the quality services to its citizens it must generate the required revenue. Strong revenue management is fundamental to the financial sustainability of every municipality under these tough economic times.

The reality is that some communities within our municipality are still faced with development backlogs and poverty. As a result, the required expenditure to address these challenges will inevitably always exceed the available funding; hence radical choices must be made in relation to tariff increases and balancing expenditure against the realistically anticipated revenue.

The municipality's revenue is directly informed around the following key components:

- The projected revenue is determined, inter alia, by setting tariffs which are not only affordable to the consumers, but also deemed to be fair and realistic.

- National Treasury's guidelines and macroeconomic policy;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA); and

The following table is a summary of the 2019/20 MTREF (classified by main revenue source):

Table 3: Summary of revenue classified by main revenue source

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Revenue By Source										
Property rates	9 289	9 041	13 668	15 731	14 501	14 501	14 501	17 566	18 515	19 515
Rental of facilities and equipment	317	565	641	426	457	457	457	600	632	667
Interest earned - external investments	7 887	9 790	10 484	12 500	10 650	10 650	10 650	11 000	11 594	12 220
Interest earned - outstanding debtors	426	552	695	786	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	634	634	634	800	843	889
Licences and permits	-	-	-	-	2	2	2	5	5	6
Transfers and subsidies	128 721	124 110	123 976	134 412	137 737	137 737	137 737	153 016	161 173	173 077
Other revenue	310	349	112	120	1 083	1 083	1 083	496	523	551
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	146 949	144 407	149 577	163 975	165 063	165 063	165 063	183 483	193 286	206 924

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Transfer recognised operational revenue forms a significant percentage of the revenue basket for the municipality. In 2019/2020 financial year, the transfer recognised operational revenue is expected to amount to R153 million. Ndwedwe municipality is the grant dependent municipality, however the municipality is in the process of attracting more investors to come and invest in the municipality which will potentially increase the chances for the municipality to generate its own revenue.

The second largest revenue category for the municipality is property rate followed by the revenue expected from the interest earned on the external investment.

2019/2020 Operating income budget can be summarised as follows

Property rates

- Property rates revenue for 2019/2020 financial year is expected to increase from R14, 5 million to R17, 6 million when compared to adjusted budget. This R3,1 million or 17,6% is attributed to 4 per cent increase as per the tariff of charges and 13,6 per cent as a result of the changes in the valuation roll market values of the properties. For more information, please refer to item 2.14 below (other supporting documents).

Rental of Facilities

- Rent from municipal facilities is expected to increase by R143 thousands from R 457 thousands in 2018/2019 to R600 thousands in 2019/2020. This increase is attributed to the new lease agreements to be signed and renewal of existing leases.

Interest earned – external investments

- Interest earned on external investments is expected to increase from R10,7 million to R11 million for 2019/2020. This projected low increase of 3,2 per cent in this revenue category is attributed to high capital expenditure anticipated in the new financial year as most of the projects planning has commenced to ensure that as soon as the new year kicks off the implementation is also kicks off.

Fines, penalties and forfeits

- Fines, penalties and forfeits will increase from R634 thousand to R800 thousands in 2019/2020 financial year. Included in this revenue category is the interest or penalties charged on the property rates. The municipality is still struggling in collecting rates from consumers hence the budget for penalties on late or non-payment of the property rate has increased.

Licences and permits

- Licences and permits budget will increase by R1 thousand from 2018/2019 adjusted budget to R2 thousands in 2019/2020 financial year. This increase is as a result of changes in the tariff of charges.

Transfers and subsidies

The 2019/2020 Transfer recognised operational revenue will increase by R15,3 million when compared to 2018/2019 adjusted budget. This increase is as a result of new grant allocations from National and Provincial government as displayed on the new released DORA.

Other revenue

Other revenue budget will decrease by R587 thousands in 2019/2020 financial year. This decrease is due to the decrease in the budget for insurance refund as the municipality is unable to forecast insurance claim refunds in the upcoming financial year and therefore this was left at zero.

1.3.4.2 Operating expenditure framework

The Municipality's expenditure framework for the 2019/2020 MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash backed reserves to fund any deficit;
- Funding of the budget over the medium term as informed by Section 18 and 19 of the MFMA;
- The Capital programs are aligned to addressing the backlogs of electrification and infrastructure establishment
- Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.

Tabled 4: The following table is an indicative of the expected 2019/2020 operating expenditure by standard classification item: -

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Expenditure By Type	-	-	-	-	-	-	-	-	-	-
Employee related costs	31 509	32 507	35 407	62 307	49 311	49 311	49 311	63 209	66 623	70 953
Remuneration of councillors	11 361	11 828	17 011	14 324	14 324	14 324	14 324	15 327	16 155	17 205
Debt impairment	1 884	4 735	2 372	2 600	2 600	2 600	2 600	3 000	3 162	3 333
Depreciation & asset impairment	15 474	16 301	17 760	20 000	20 000	20 000	20 000	21 000	22 134	23 329
Finance charges	12	19	117	-	-	-	-	-	-	-
Other materials	-	-	104	-	1 559	1 559	1 559	390	411	433
Contracted services	9 676	5 173	34 003	41 046	46 348	46 348	46 348	39 931	38 187	40 250
Transfers and subsidies	-	-	1 620	13 000	24 045	24 045	24 045	2 600	2 740	2 888
Other expenditure	34 637	59 270	36 103	38 294	33 918	33 918	33 918	34 020	35 857	37 794
Loss on disposal of PPE	(429)	20	633	-	-	-	-	-	-	-
Total Expenditure	104 123	129 853	145 131	191 571	192 105	192 105	192 105	179 478	185 270	196 185

In view of the above table it can be noted that the total operating expenditure budget for 2019/2020 MTREF amounts to R179,5 million a R12,6 million decrease from 2018/2019 adjusted budget. For the outer years the budget is estimated to be R185,3 million and R196,2 million respectively.

The components of the operating budget can be explained as follows:

Employee related costs

- Employee related costs is budgeted at R63,2 million for 2019/2020 financial year. During the 2018/2019 adjustment budget, the council had to remove some of the delayed budgeted post to fund the then unforeseeable and unavoidable expenditure, such as the upgrade of the Eskom electrical infrastructure.
- As a result, this increase is attributed to the returning of those budgeted posts into the budget and also the normal increment increase of 7 per cent as per SALGA agreement and 2.5 per cent for notch increases for those posts that are still not yet reached the sealing.

Remuneration of councillors

- This line item is budgeted to be R15, 3million for 2019/2020 financial year.
- This budget is aligned to the consideration of determination of upper limits for councillors and office bearers as indicated on circular 94 of MFMA which state that municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act.

Debt impairment

- Debt impairment consist of Bad debts written off, although this expenditure is a non cash item, but it informs the total cost associated with rendering of services by the municipality as well as the municipality's realistically anticipated revenue.
- This is in compliance with the GRAP standards. The Bad debts provision has been calculated based on the collection trend of the municipality.

Depreciation & asset impairment

- Depreciation, asset impairment and amortisation budget for 2019/2020 financial year amounts to R21, million. The budget figure is informed by the Fixed Asset policy taking into account the existing fixed assets register and new projects to be implemented in 2019/2020 financial year. Should the anticipated completion of the

capital project change, this item will have to be revisited during the adjustment budget.

Contracted services

- This item is budgeted at R39,9 million for upcoming financial year. The decrease in this expenditure category is as a result of once off projects that were budgeted in the 2018/2019 financial year that relate to the review of different operational strategies within the municipality.

Transfers and subsidies

- The 2019/2020 Transfers and subsidies budget amounts to R2,6 million. The decrease of R21,4 million when compared to 2018/2019 financial year is attributed to electricity projects which are anticipated to be completed in this financial year. Should the plan change, some of this budget will have to be brought back before the final budget is tabled which will mean that reprioritisation process will have to take place to take out some of the projects budgeted in order to cover this roll over.
- It must be noted that the municipality will continue with electrical projects for the area that still in need for such basic need however due financial contrast faced by the municipality this will be done using the Grant only until the whole municipality is covered with electricity connection but if the circumstances require the council to again utilise its own funding for electrical projects, the council will take the decision and the budget will be brought in.

Other expenditure

- The proposed budget allocation for other expenditure amounts to R34 million.
- The minimum changes in this expenditure item when compared to 2018/2019 adjusted budget is due to the zero based budget approach adopted by the municipality where all votes were treated as zero until management agreed and motivated for a figure hence it resulted to this low increase when compared to adjusted budget.
- The other expenditure is properly displayed on the supporting Schedule SA1 under Supporting Documents on item 1.14 below.

- Due to the limited space on A Schedule supporting tables SA1 the municipality could not be able to list all other expenditure as a result an amount of R1, 6million has been putted under general expenditure.

Table 5: The following table display the breakdown of the general expenditure as indicated on the Table SA1 below.

Description	2019/2020	2020/2021	2021/2022
Communication (Municipal Newsletters)R	100 000.00	105 400.00	111 091.60
Bank Charges (Bank charges)R	130 000.00	137 020.00	144 419.08
Postal Services	50 000.00	52 700.00	55 545.80
Youth Development (Drivers Licences)	200 000.00	210 800.00	222 183.20
Internet Access (Internet Access	250 000.00	263 500.00	277 729.00
Licence and Registration fees(Licence and Registration fees)R	110 000.00	115 940.00	122 200.76
Shared Fraud hotline R	15 000.00	15 810.00	16 663.74
Tourism development (exhibition stand(tourism indaba)R	50 000.00	52 700.00	55 545.80
Subsistence & Travelling Allowance (Daily Allowance)	14 000.00	14 756.00	15 552.82
Municipal Recruitment (Catering)	81 000.00	85 374.00	89 984.20
Subsistence,Travelling & Accommodation (Incidental costs)R	73 000.00	76 942.00	81 096.87
Subsistence,Travelling & Accommodation (Flights)R	290 000.00	305 660.00	322 165.64
Subsistence,Travelling & Accommodation (Car hire- with operator (shuttle)R	48 000.00	50 592.00	53 323.97
Subsistence,Travelling & Accommodation (Car hire- without operator)R	245 000.00	258 230.00	272 174.42
Municipal Recruitment (Subsistence & Travelling Allowance)R	30 000.00	31 620.00	33 327.48
TOTAL	1 686 000.00	1 777 044.00	1 873 004.38

1.3.4 Capital expenditure of the MTREF

The Capital Budget focuses on the IDP objectives and Ndwedwe infrastructure needs.

Asset Management best practice requires Council to allocate 40% of the capital budget to renew/maintain existing assets. Since Ndwedwe Municipality is still growing/developing, all wards still require new infrastructure like roads, sport fields, community halls and creches. No budget has been set aside for renewing the existing assets. However it is anticipated that in the few years to come the municipality will start to ensure that it sets aside enough budget to ensure that the already existing structure is renewed.

Table 6: The following table provides a breakdown of budgeted capital expenditure by vote:

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital Expenditure - Functional											
Governance and administration		2 840	9 471	1 463	1 380	4 142	4 142	4 142	9 345	-	-
Executive and council		-							2 450		
Finance and administration		2 840	9 471	1 463	1 380	4 142	4 142	4 142	6 895		
Internal audit											
Community and public safety		-	-	77	5 270	4 070	4 070	4 070	1 350	600	-
Community and social services				77	4 970	4 070	4 070	4 070	1 350	600	
Sport and recreation					300						
Public safety											
Housing											
Health											
Economic and environmental services		42 742	33 731	52 961	34 487	54 660	54 660	54 660	55 153	31 308	33 460
Planning and development					4 200	3 200	3 200	3 200	1 160		
Road transport		42 742	33 731	52 961	30 267	51 460	51 460	51 460	53 993	31 308	33 460
Environmental protection											
Trading services		-	-	-	-	-	-	-	-	-	-
Energy sources											
Water management											
Waste water management											
Waste management											
Other					30 374						
Total Capital Expenditure - Functional	3	45 582	43 202	54 501	71 491	62 872	62 872	62 872	65 848	31 908	33 460
Funded by:											
National Government		28 907	19 548	32 678	29 267	29 267	29 267	29 267	29 809	31 308	33 460
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	28 907	19 548	32 678	29 267	29 267	29 267	29 267	29 809	31 308	33 460
Borrowing	6										
Internally generated funds		16 675	23 654	21 823	42 224	33 605	33 605	33 605	36 039	600	
Total Capital Funding	7	45 582	43 202	54 501	71 491	62 872	62 872	62 872	65 848	31 908	33 460

The above table indicates that Ndwedwe Municipality has set aside a capital budget of R65,8 million for 2019/2020 financial year with most of the budget allocated to road infrastructure followed by the Testing station and community Halls to ensure that the municipality reduces the backlog in terms of such basic developments.

Table 7: The below table indicates the capital budget as per asset class

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Capital expenditure on new assets by Asset Class/Sub-class	-	-	-	-	-	-	-	-	-
Infrastructure	42 742	21 011	51 048	39 717	15 839	15 839	30 438	21 600	22 445
Roads Infrastructure	42 742	21 011	51 046	33 667	10 021	10 021	27 286	21 000	22 445
Roads	42 742	21 011	51 046	30 267	9 711	9 711	27 286	9 000	9 619
Road Structures	-	-	-	-	310	310	-	-	-
Road Furniture	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	3 400	-	-	-	12 000	12 826
Electrical Infrastructure	-	-	-	1 150	3 518	3 518	1 150	-	-
Power Plants	-	-	-	-	-	-	-	-	-
HV Substations	-	-	-	-	-	-	-	-	-
HV Switching Station	-	-	-	-	-	-	-	-	-
HV Transmission Conductors	-	-	-	1 150	-	-	-	-	-
Capital Spares	-	-	-	-	3 518	3 518	1 150	-	-
Water Supply Infrastructure	-	-	-	2 900	1 900	1 900	1 000	-	-
Dams and Weirs	-	-	-	-	-	-	-	-	-
Boreholes	-	-	-	2 900	1 900	1 900	1 000	-	-
Solid Waste Infrastructure	-	-	-	2 000	400	400	1 000	600	-
Landfill Sites	-	-	-	2 000	-	-	-	-	-
Waste Transfer Stations	-	-	-	-	-	-	-	-	-
Waste Processing Facilities	-	-	-	-	400	400	1 000	600	-
Community Assets	-	10 859	77	13 804	22 741	22 741	20 527	10 308	11 015
Community Facilities	-	10 859	77	13 804	11 328	11 328	18 627	10 308	11 015
Halls	-	10 859	-	-	11 228	11 228	5 123	10 308	11 015
Testing Stations	-	-	-	13 504	-	-	13 504	-	-
Markets	-	-	77	100	100	100	-	-	-
Sport and Recreation Facilities	-	-	-	300	11 413	11 413	1 900	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	300	11 413	11 413	1 900	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Other assets	-	1 861	-	12 320	10 500	10 500	3 500	-	-
Operational Buildings	-	1 861	-	12 320	10 500	10 500	3 500	-	-
Municipal Offices	-	1 861	-	11 920	7 800	7 800	2 500	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	300	300	-	-	-
Yards	-	-	-	400	-	-	-	-	-
Stores	-	-	-	-	2 000	2 000	1 000	-	-
Capital Spares	-	-	-	-	400	400	-	-	-
Intangible Assets	-	850	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	850	-	-	-	-	-	-	-
Computer Software and Applications	-	850	-	-	-	-	-	-	-
Computer Equipment	443	974	573	620	682	682	415	-	-
Computer Equipment	443	974	573	620	682	682	415	-	-
Furniture and Office Equipment	110	374	208	2 580	1 890	1 890	1 020	-	-
Furniture and Office Equipment	110	374	208	2 580	1 890	1 890	1 020	-	-
Machinery and Equipment	136	1 739	1 133	150	5 870	5 870	1 650	-	-
Machinery and Equipment	136	1 739	1 133	150	5 870	5 870	1 650	-	-
Transport Assets	2 134	5 621	1 463	2 200	2 650	2 650	8 300	-	-
Transport Assets	2 134	5 621	1 463	2 200	2 650	2 650	8 300	-	-
Total Capital Expenditure on new assets	45 565	43 290	54 501	71 491	60 172	60 172	65 848	31 908	33 460

1.4 ANNUAL BUDGET TABLES

In terms of the Municipal Budget and Reporting Regulations, the 10 primary budget tables, as attached, reflects the 2019/2020 budget and MTREF to be supported by Council and made public for comment.

Budget Table	Synopsis of table
Table A1	High level summary of the municipality's budget, including operating, capital, financial position, cash flow and MFMA funding compliance.
Table A2	Indicative of the budgeted financial performance with regards to revenue and expenditure per standard classification.
Table A3	Indicative of the budgeted financial performance with regards to revenue and expenditure and operating surplus or deficit per municipal vote.
Table A4	Indicative of the budgeted financial performance with regards to revenue by source and expenditure by type.
Table A5	Indicative of the municipality's capital projects in relation to the capital expenditure by municipal vote, capital expenditure by classification, and funding sources. Also included is information pertaining to capital transfers from National and Provincial government. KDM has adopted a multi-year capital budget appropriation.
Table A6	Indicative of the financial position of the municipality.
Table A7	Indicative of the cash and cash equivalent of the municipality over the draft MTREF.
Table A8	Indicative of the Cash Backed Reserves/ Accumulated Surplus. Represents an evaluation of the funding levels by forecasting cash and investments at year end and reconciling the available funding to the liabilities in existence. This is in line with MFMA legislation.
Table A9	Represents the municipal capital allocations to the funding of new assets and renewal of existing assets. This also includes spending on repairs and maintenance.
Table A10	Indicative of the service delivery levels, including backlogs, for each of the main services.

KZN293 Ndwedwe - Table A1 Budget Summary

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands										
Financial Performance										
Property rates	9 289	9 041	13 668	15 731	14 501	14 501	14 501	17 566	18 515	19 515
Service charges	–	–	–	–	–	–	–	–	–	–
Investment revenue	7 887	9 790	10 484	12 500	10 650	10 650	10 650	11 000	11 594	12 220
Transfers recognised - operational	128 721	124 110	123 976	134 412	137 737	137 737	137 737	153 016	161 173	173 077
Other own revenue	1 053	1 466	1 449	1 332	2 175	2 175	2 175	1 901	2 004	2 112
Total Revenue (excluding capital transfers and contributions)	146 949	144 407	149 577	163 975	165 063	165 063	165 063	183 483	193 286	206 924
Employee costs	31 509	32 507	35 407	62 307	49 311	49 311	49 311	63 209	66 623	70 953
Remuneration of councillors	11 361	11 828	17 011	14 324	14 324	14 324	14 324	15 327	16 155	17 205
Depreciation & asset impairment	15 474	16 301	17 760	20 000	20 000	20 000	20 000	21 000	22 134	23 329
Finance charges	12	19	117	–	–	–	–	–	–	–
Materials and bulk purchases	–	–	104	–	1 559	1 559	1 559	390	411	433
Transfers and grants	–	–	1 620	13 000	24 045	24 045	24 045	2 600	2 740	2 888
Other expenditure	45 768	69 199	73 110	81 940	82 866	82 866	82 866	76 951	77 207	81 376
Total Expenditure	104 123	129 853	145 131	191 571	192 105	192 105	192 105	179 478	185 270	196 185
Surplus/(Deficit)	42 826	14 554	4 446	(27 596)	(27 042)	(27 042)	(27 042)	4 006	8 016	10 739
Transfers and subsidies - capital (monetary allocations) (M)	28 907	19 548	32 678	29 267	29 267	29 267	29 267	29 809	31 306	33 460
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
	71 733	34 102	37 124	1 671	2 225	2 225	2 225	33 815	39 322	44 199
Surplus/(Deficit) after capital transfers & contributions	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	71 733	34 102	37 124	1 671	2 225	2 225	2 225	33 815	39 322	44 199
Capital expenditure & funds sources										
Capital expenditure	45 582	43 202	54 501	71 491	62 872	62 872	62 872	65 848	31 906	33 460
Transfers recognised - capital	28 907	19 548	32 678	29 267	29 267	29 267	29 267	29 809	31 306	33 460
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	16 675	23 654	21 823	42 224	33 605	33 605	33 605	36 039	600	–
Total sources of capital funds	45 582	43 202	54 501	71 491	62 872	62 872	62 872	65 848	31 906	33 460
Financial position										
Total current assets	120 627	121 691	133 347	121 691	92 700	92 700	92 700	84 469	113 074	146 148
Total non current assets	217 902	241 261	276 515	243 368	319 387	319 387	319 387	364 236	374 008	384 138
Total current liabilities	29 572	21 494	30 976	21 494	30 976	30 976	30 976	56 155	70 211	69 216
Total non current liabilities	1 142	1 091	1 397	1 091	1 397	1 397	1 397	1 397	1 397	1 397
Community wealth/Equity	307 814	340 366	377 490	342 474	379 715	379 715	379 715	391 153	415 475	459 674
Cash flows										
Net cash from (used) operating	78 410	45 641	65 053	24 636	21 798	21 798	21 798	58 860	61 822	67 915
Net cash from (used) investing	(45 565)	(43 290)	(54 501)	(71 491)	(62 872)	(62 872)	(62 872)	(65 848)	(31 906)	(33 460)
Net cash from (used) financing	(133)	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	109 380	111 731	122 283	64 876	81 208	81 208	81 208	74 221	104 137	138 591
Cash backing/surplus reconciliation										
Cash and investments available	109 380	111 731	122 283	111 731	81 208	81 208	81 208	74 221	104 137	138 591
Application of cash and investments	23 674	12 165	20 411	16 273	20 503	20 503	20 503	46 235	61 423	61 621
Balance - surplus (shortfall)	85 705	99 566	101 872	95 458	60 705	60 705	60 705	27 985	42 714	76 970
Asset management										
Asset register summary (WDV)	217 902	241 261	276 515	71 491	339 387	339 387	339 387	364 236	374 008	384 138
Depreciation	15 474	16 301	17 760	20 000	20 000	20 000	20 000	21 000	22 134	23 329
Renewal and Upgrading of Existing Assets	–	–	–	–	2 700	2 700	2 700	–	–	–
Repairs and Maintenance	3 896	4 181	–	7 570	5 350	5 350	5 350	6 720	7 083	7 465
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	2 686	2 835	–	–	–	–	–	–	–	–
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

KZN293 Ndwedwe - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Revenue - Functional										
Governance and administration		121 270	123 876	145 900	161 388	159 201	159 201	180 686	193 286	206 924
Executive and council		930	5 151	-	-	-	-	-	-	-
Finance and administration		120 340	118 724	145 900	161 388	159 201	159 201	180 686	193 286	206 924
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		744	1 265	1 325	1 392	4 667	4 667	1 449	-	-
Community and social services		744	1 265	1 325	1 392	4 667	4 667	1 449	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		53 843	38 814	35 030	30 462	30 462	30 462	31 157	31 306	33 460
Planning and development		-	-	740	-	-	-	-	-	-
Road transport		53 843	38 814	34 290	30 462	30 462	30 462	31 157	31 306	33 460
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	175 856	163 955	182 255	193 242	194 330	194 330	213 292	224 592	240 384
Expenditure - Functional										
Governance and administration		82 609	107 087	112 061	122 807	115 948	115 948	126 915	133 768	141 590
Executive and council		28 997	43 077	47 764	36 932	36 037	36 037	40 245	42 418	45 011
Finance and administration		53 612	64 010	64 297	85 875	79 911	79 911	86 670	91 350	96 579
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	1 470	19 370	21 239	21 239	18 972	19 996	21 204
Community and social services		-	-	1 470	19 370	21 239	21 239	18 972	19 996	21 204
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		21 515	22 766	31 600	36 394	53 260	53 260	32 233	30 074	31 866
Planning and development		12 101	12 300	8 139	11 717	12 813	12 813	15 537	12 477	13 226
Road transport		9 414	10 466	23 461	24 677	40 447	40 447	16 696	17 597	18 640
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	13 000	1 658	1 658	1 358	1 431	1 524
Energy sources		-	-	-	13 000	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	1 658	1 658	1 358	1 431	1 524
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	104 123	129 853	145 131	191 571	192 105	192 105	179 478	185 270	196 185
Surplus/(Deficit) for the year		71 733	34 102	37 124	1 671	2 225	2 225	33 815	39 322	44 199

References

- Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
- Total Revenue by functional classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
- Total Expenditure by Functional Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
- All amounts must be classified under a functional classification. The GFS function 'Other' is only for Abattoirs, Air Transport, Forestry, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification.

KZN293 Ndwedwe - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Road and Traffic Regulation										
Roads		53 843	38 814	34 290	30 462	30 462	30 462	31 157	31 306	33 460
Taxi Ranks										
Environmental protection		-	-	-	-	-	-	-	-	-
Biodiversity and Landscape										
Coastal Protection										
Indigenous Forests										
Nature Conservation										
Pollution Control										
Soil Conservation										
Trading services		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Electricity										
Street Lighting and Signal Systems										
Nonelectric Energy										
Water management		-	-	-	-	-	-	-	-	-
Water Treatment										
Water Distribution										
Water Storage										
Waste water management		-	-	-	-	-	-	-	-	-
Public Toilets										
Sewerage										
Storm Water Management										
Waste Water Treatment										
Waste management		-	-	-	-	-	-	-	-	-
Recycling										
Solid Waste Disposal (Landfill Sites)										
Solid Waste Removal										
Street Cleaning										
Other		-	-	-	-	-	-	-	-	-
Abattoirs										
Air Transport										
Forestry										
Licensing and Regulation										
Markets										
Tourism										
Total Revenue - Functional	2	175 856	163 955	162 255	193 242	194 330	194 330	213 292	224 592	240 384
Expenditure - Functional										
Municipal governance and administration		82 609	107 087	112 061	122 007	115 948	115 948	126 915	133 768	141 590
Executive and council		28 997	43 077	47 764	36 932	36 037	36 037	40 245	42 418	45 011
Mayor and Council		12 457	16 299	18 925	17 904	18 303	18 303	18 732	19 744	20 987
Municipal Manager, Town Secretary and Chief Executive		16 539	26 778	28 838	19 028	17 734	17 734	21 513	22 675	24 024
Finance and administration		53 612	64 010	64 297	85 875	79 911	79 911	86 670	91 350	96 579
Administrative and Corporate Support		19 537	29 729	25 064	37 508	24 718	24 718	25 307	26 674	28 114
Asset Management										
Finance		34 075	34 280	39 233	48 367	43 856	43 856	47 908	50 495	53 362
Fleet Management										
Human Resources						11 337	11 337	13 454	14 181	15 103
Information Technology										
Legal Services										
Marketing, Customer Relations, Publicity and Media Co-ordination										
Property Services										
Risk Management										
Security Services										
Supply Chain Management										
Valuation Service										
Internal audit		-	-	-	-	-	-	-	-	-
Governance Function										
Community and public safety		-	-	1 470	19 370	21 239	21 239	18 972	19 996	21 204
Community and social services		-	-	1 470	19 370	21 239	21 239	18 972	19 996	21 204
Aged Care										
Agricultural										
Animal Care and Diseases										
Cemeteries, Funeral Parlours and Crematoriums										
Child Care Facilities										
Community Halls and Facilities				1 470	19 370	19 196	19 196	17 220	18 149	19 237
Consumer Protection										
Cultural Matters										
Disaster Management										
Education										
Indigenous and Customary Law										
Industrial Promotion										
Language Policy										
Libraries and Archives						2 044	2 044	1 752	1 847	1 967
Literacy Programmes										
Media Services										
Museums and Art Galleries										
Population Development										
Provincial Cultural Matters										
Theatres										
Zoo's										
Sport and recreation		-	-	-	-	-	-	-	-	-
Beaches and Jetties										

KZN293 Ndwedwe - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Casinos, Racing, Gambling, Wagering										
Community Parks (including Nurseries)										
Recreational Facilities										
Sports Grounds and Stadiums										
Public safety		-	-	-	-	-	-	-	-	-
Civil Defence										
Cleansing										
Control of Public Nuisances										
Fencing and Fences										
Fire Fighting and Protection										
Licensing and Control of Animals										
Police Forces, Traffic and Street Parking Control										
Pounds										
Housing		-	-	-	-	-	-	-	-	-
Housing										
Informal Settlements										
Health		-	-	-	-	-	-	-	-	-
Ambulance										
Health Services										
Laboratory Services										
Food Control										
Health Surveillance and Prevention of Communicable Diseases										
Vector Control										
Chemical Safety										
Economic and environmental services		21 515	22 766	31 600	36 394	53 260	53 260	32 233	30 074	31 866
Planning and development		12 101	12 300	8 139	11 717	12 813	12 813	15 537	12 477	13 226
Billboards										
Corporate Wide Strategic Planning (IDPs, LEDs)										
Central City Improvement District										
Development Facilitation										
Economic Development/Planning		12 101	12 300	8 139	11 717	12 813	12 813	15 537	12 477	13 226
Regional Planning and Development										
Town Planning, Building Regulations and Enforcement, and City										
Project Management Unit										
Provincial Planning										
Support to Local Municipalities										
Road transport		9 414	10 466	23 461	24 677	40 447	40 447	16 696	17 597	18 640
Public Transport										
Road and Traffic Regulation										
Roads		9 414	10 466	23 461	24 677	40 447	40 447	16 696	17 597	18 640
Taxi Ranks										
Environmental protection		-	-	-	-	-	-	-	-	-
Biodiversity and Landscape										
Coastal Protection										
Indigenous Forests										
Nature Conservation										
Pollution Control										
Soil Conservation										
Trading services		-	-	-	13 000	1 658	1 658	1 358	1 431	1 524
Energy sources		-	-	-	13 000	-	-	-	-	-
Electricity					13 000					
Street Lighting and Signal Systems										
Nonelectric Energy										
Water management		-	-	-	-	-	-	-	-	-
Water Treatment										
Water Distribution										
Water Storage										
Waste water management		-	-	-	-	-	-	-	-	-
Public Toilets										
Sewerage										
Storm Water Management										
Waste Water Treatment										
Waste management		-	-	-	-	1 658	1 658	1 358	1 431	1 524
Recycling										
Solid Waste Disposal (Landfill Sites)										
Solid Waste Removal										
Street Cleaning						1 658	1 658	1 358	1 431	1 524
Other		-	-	-	-	-	-	-	-	-
Abattoirs										
Air Transport										
Forestry										
Licensing and Regulation										
Markets										
Tourism										
Total Expenditure - Functional	3	104 123	129 853	145 131	191 571	192 105	192 105	179 478	185 270	196 185
Surplus/(Deficit) for the year		71 733	34 102	37 124	1 671	2 225	2 225	33 815	39 322	44 199

References

- Government Finance Statistics Functions and Sub-functions are standardised to assist national and international accounts and comparison
- Total Revenue by Functional Classification must reconcile to total operating revenue shown in Financial Performance (revenue and expenditure)
- Total Expenditure by Functional Classification must reconcile to total operating expenditure shown in Financial Performance (revenue and expenditure)
- All amounts must be classified under a Functional classification. The GFS function 'Other' is only for Abattoirs, Air Transport, Forestry, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

KZN293 Ndwedwe - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description		Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote		1									
Vote 1 - EXECUTIVE AND COUNCIL			-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER			930	5 151	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY OFFICE			116 599	118 724	145 900	161 388	159 201	159 201	180 686	193 286	206 924
Vote 4 - CORPORATE SERVICES			-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES			57 583	38 814	34 290	30 462	30 462	30 462	31 157	31 306	33 460
Vote 6 - ECONOMIC DEVELOPMENT AND PLANNING			744	1 265	740	-	-	-	-	-	-
Vote 7 - COMMUNITY SERVICES			-	-	1 325	1 392	4 667	4 667	1 449	-	-
Vote 8 - [NAME OF VOTE 8]			-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-
Total Revenue by Vote		2	175 856	163 955	182 255	193 242	194 330	194 330	213 292	224 592	240 384
Expenditure by Vote to be appropriated		1									
Vote 1 - EXECUTIVE AND COUNCIL			12 457	16 299	18 925	17 904	18 303	18 303	18 732	19 744	20 987
Vote 2 - MUNICIPAL MANAGER			16 539	26 778	28 838	19 028	17 734	17 734	21 513	22 675	24 024
Vote 3 - BUDGET AND TREASURY OFFICE			34 075	34 280	39 233	48 367	43 855	43 855	47 908	50 495	53 362
Vote 4 - CORPORATE SERVICES			19 537	29 729	25 064	37 508	36 055	36 055	38 762	40 855	43 217
Vote 5 - TECHNICAL SERVICES			9 414	10 466	23 461	37 677	42 105	42 105	18 054	19 028	20 164
Vote 6 - ECONOMIC DEVELOPMENT AND PLANNING			12 101	12 300	8 139	11 717	12 813	12 813	15 537	12 477	13 226
Vote 7 - COMMUNITY SERVICES			-	-	1 470	19 370	21 239	21 239	18 972	19 996	21 204
Vote 8 - [NAME OF VOTE 8]			-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]			-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]			-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		2	104 123	129 853	145 131	191 571	192 105	192 105	179 478	185 270	196 185
Surplus/(Deficit) for the year		2	71 733	34 102	37 124	1 671	2 225	2 225	33 815	39 322	44 199

References

1. Insert 'Vote'; e.g. department, if different to functional classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

KZN293 Ndwedwe - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL 1.1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER 2.1 - Municipal Manager		930 930	5 151 5 151	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY OFFICE 3.1 - Budget and Treasury Office		116 599 116 599	118 724 118 724	145 900 145 900	161 388 161 388	159 201 159 201	159 201 159 201	180 686 180 686	193 286 193 286	206 924 206 924
Vote 4 - CORPORATE SERVICES 4.1 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES 5.1 - Technical Services		57 583 57 583	38 814 38 814	34 290 34 290	30 462 30 462	30 462 30 462	30 462 30 462	31 157 31 157	31 306 31 306	33 460 33 460
Vote 6 - ECONOMIC DEVELOPMENT AND PLANNING 6.1 - Economic Development and Planning		744 744	1 265 1 265	740 740	-	-	-	-	-	-

KZN293 Ndwedwe - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description R thousand	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Vote 7 - COMMUNITY SERVICES 7.1 - Community Services		-	-	1 325 1 325	1 392 1 392	4 667 4 667	4 667 4 667	1 449 1 449	- -	- -
Total Revenue by Vote	2	175 856	163 955	182 255	193 242	194 330	194 330	213 292	224 592	240 384
Expenditure by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL 1.1 - Executive and Council		12 457 12 457	16 299 16 299	18 925 18 925	17 904 17 904	18 303 18 303	18 303 18 303	18 732 18 732	19 744 19 744	20 987 20 987
Vote 2 - MUNICIPAL MANAGER 2.1 - Municipal Manager		16 539 16 539	26 778 26 778	28 838 28 838	19 028 19 028	17 734 17 734	17 734 17 734	21 513 21 513	22 675 22 675	24 024 24 024
Vote 3 - BUDGET AND TREASURY OFFICE 3.1 - Budget and Treasury Office		34 075 34 075	34 280 34 280	39 233 39 233	48 367 48 367	43 855 43 855	43 855 43 855	47 908 47 908	50 495 50 495	53 362 53 362
Vote 4 - CORPORATE SERVICES 4.1 - Corporate Services		19 537 19 537	29 729 29 729	25 064 25 064	37 508 37 508	36 055 36 055	36 055 36 055	38 762 38 762	40 855 40 855	43 217 43 217
Vote 5 - TECHNICAL SERVICES 5.1 - Technical Services		9 414 9 414	10 466 10 466	23 461 23 461	37 677 37 677	42 105 42 105	42 105 42 105	18 054 18 054	19 028 19 028	20 164 20 164

KZN293 Ndwedwe - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description R thousand	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Vote 6 - ECONOMIC DEVELOPMENT AND PLANNING		12 101	12 300	8 139	11 717	12 813	12 813	15 537	12 477	13 226
6.1 - Economic Development and Planning		12 101	12 300	8 139	11 717	12 813	12 813	15 537	12 477	13 226
Vote 7 - COMMUNITY SERVICES		-	-	1 470	19 370	21 239	21 239	18 972	19 996	21 204
7.1 - Community Services				1 470	19 370	21 239	21 239	18 972	19 996	21 204
Total Expenditure by Vote	2	104 123	129 853	145 131	191 571	192 105	192 105	179 478	185 270	196 185
Surplus/(Deficit) for the year	2	71 733	34 102	37 124	1 671	2 225	2 225	33 815	39 322	44 199

References

1. Insert 'Vote'; e.g. Department, if different to Functional structure
2. Must reconcile to Financial Performance ('Revenue and Expenditure by Functional Classification' and 'Revenue and Expenditure')
3. Assign share in 'associate' to relevant Vote

KZN293 Ndwedwe - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Revenue By Source											
Property rates	2	9 289	9 041	13 668	15 731	14 501	14 501	14 501	17 566	18 515	19 515
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		317	565	641	426	457	457	457	600	632	667
Interest earned - external investments		7 887	9 790	10 484	12 500	10 650	10 650	10 650	11 000	11 594	12 220
Interest earned - outstanding debtors		426	552	695	786						
Dividends received											
Fines, penalties and forfeits						634	634	634	800	843	889
Licences and permits						2	2	2	5	5	6
Agency services											
Transfers and subsidies		128 721	124 110	123 976	134 412	137 737	137 737	137 737	153 016	161 173	173 077
Other revenue	2	310	349	112	120	1 083	1 083	1 083	496	523	551
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		146 949	144 407	149 577	163 975	165 063	165 063	165 063	183 483	193 286	206 924
Expenditure By Type											
Employee related costs	2	31 509	32 507	35 407	62 307	49 311	49 311	49 311	63 209	66 623	70 953
Remuneration of councillors		11 361	11 828	17 011	14 324	14 324	14 324	14 324	15 327	16 155	17 205
Debt impairment	3	1 884	4 735	2 372	2 600	2 600	2 600	2 600	3 000	3 162	3 333
Depreciation & asset impairment	2	15 474	16 301	17 760	20 000	20 000	20 000	20 000	21 000	22 134	23 329
Finance charges		12	19	117							
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8			104		1 559	1 559	1 559	390	411	433
Contracted services		9 676	5 173	34 003	41 046	46 348	46 348	46 348	39 931	38 187	40 250
Transfers and subsidies		-	-	1 620	13 000	24 045	24 045	24 045	2 600	2 740	2 888
Other expenditure	4, 5	34 637	59 270	36 103	38 294	33 918	33 918	33 918	34 020	35 857	37 794
Loss on disposal of PPE		(429)	20	633							
Total Expenditure		104 123	129 853	145 131	191 571	192 105	192 105	192 105	179 478	185 270	196 185
Surplus/(Deficit)		42 826	14 554	4 446	(27 596)	(27 042)	(27 042)	(27 042)	4 006	8 016	10 739
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		28 907	19 548	32 678	29 267	29 267	29 267	29 267	29 809	31 306	33 460
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		71 733	34 102	37 124	1 671	2 225	2 225	2 225	33 815	39 322	44 199
Taxation											
Surplus/(Deficit) after taxation		71 733	34 102	37 124	1 671	2 225	2 225	2 225	33 815	39 322	44 199
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		71 733	34 102	37 124	1 671	2 225	2 225	2 225	33 815	39 322	44 199
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		71 733	34 102	37 124	1 671	2 225	2 225	2 225	33 815	39 322	44 199

References

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item, e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method (Includes Joint Ventures)

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY OFFICE		-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES		-	-	-	-	9 891	9 891	9 891	6 200	-	-
Vote 6 - ECONOMIC DEVELOPMENT AND PLANNING		-	-	-	-	2 000	2 000	2 000	1 000	-	-
Vote 7 - COMMUNITY SERVICES		-	-	-	-	400	400	400	1 000	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	12 291	12 291	12 291	8 200	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	2 300	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	150	-	-
Vote 3 - BUDGET AND TREASURY OFFICE		689	3 088	-	280	290	290	290	240	-	-
Vote 4 - CORPORATE SERVICES		2 134	6 471	1 463	1 100	3 852	3 852	3 852	6 655	-	-
Vote 5 - TECHNICAL SERVICES		42 742	33 731	52 961	60 941	41 568	41 568	41 568	47 793	31 306	33 460
Vote 6 - ECONOMIC DEVELOPMENT AND PLANNING		-	-	-	4 200	1 200	1 200	1 200	160	-	-
Vote 7 - COMMUNITY SERVICES		-	-	77	4 970	3 670	3 670	3 670	350	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		45 565	43 290	54 501	71 491	50 581	50 581	50 581	57 648	31 306	33 460
Total Capital Expenditure - Vote		45 565	43 290	54 501	71 491	62 872	62 872	62 872	65 848	31 306	33 460
Capital Expenditure - Functional											
Governance and administration		2 840	9 471	1 463	1 380	4 142	4 142	4 142	9 345	-	-
Executive and council		-	-	-	-	-	-	-	2 450	-	-
Finance and administration		2 840	9 471	1 463	1 380	4 142	4 142	4 142	6 895	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	77	5 270	4 070	4 070	4 070	1 350	600	-
Community and social services		-	-	77	4 970	4 070	4 070	4 070	1 350	600	-
Sport and recreation		-	-	-	300	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		42 742	33 731	52 961	34 467	54 660	54 660	54 660	55 153	31 306	33 460
Planning and development		-	-	-	4 200	3 200	3 200	3 200	1 160	-	-
Road transport		42 742	33 731	52 961	30 267	51 460	51 460	51 460	53 993	31 306	33 460
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	30 374	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	45 582	43 202	54 501	71 491	62 872	62 872	62 872	65 848	31 906	33 460
Funded by:											
National Government		28 907	19 548	32 678	29 267	29 267	29 267	29 267	29 809	31 306	33 460
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	28 907	19 548	32 678	29 267	29 267	29 267	29 267	29 809	31 306	33 460
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		16 675	23 654	21 823	42 224	33 605	33 605	33 605	36 039	600	-
Total Capital Funding	7	45 582	43 202	54 501	71 491	62 872	62 872	62 872	65 848	31 906	33 460

KZN293 Ndwedwe - Table A6 Budgeted Financial Position

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
ASSETS											
Current assets											
Cash		2 638	3 122	17 623	3 122						
Call investment deposits	1	106 741	108 609	104 660	108 609	81 208	81 208	81 208	74 221	104 137	138 591
Consumer debtors	1	2 803	4 306	7 892	4 306	8 320	8 320	8 320	7 076	5 766	4 385
Other debtors		8 444	5 654	3 172	5 654	3 172	3 172	3 172	3 172	3 172	3 172
Current portion of long-term receivables											
Inventory	2										
Total current assets		120 627	121 691	133 347	121 691	92 700	92 700	92 700	84 469	113 074	146 148
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	217 885	240 498	275 926	242 605	318 798	318 798	318 798	363 947	374 008	384 138
Biological											
Intangible		16	763	589	763	589	589	589	289		
Other non-current assets											
Total non current assets		217 902	241 261	276 515	243 368	319 387	319 387	319 387	364 236	374 008	384 138
TOTAL ASSETS		338 528	362 952	409 863	365 059	412 087	412 087	412 087	448 704	487 082	530 286
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits											
Trade and other payables	4	29 511	21 183	30 957	21 183	30 957	30 957	30 957	56 136	70 192	69 197
Provisions		60	311	19	311	19	19	19	19	19	19
Total current liabilities		29 572	21 494	30 976	21 494	30 976	30 976	30 976	56 155	70 211	69 216
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		1 142	1 091	1 397	1 091	1 397	1 397	1 397	1 397	1 397	1 397
Total non current liabilities		1 142	1 091	1 397	1 091	1 397	1 397	1 397	1 397	1 397	1 397
TOTAL LIABILITIES		30 714	22 585	32 373	22 585	32 373	32 373	32 373	57 552	71 607	70 613
NET ASSETS	5	307 814	340 366	377 490	342 474	379 715	379 715	379 715	391 153	415 475	459 674
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		307 814	340 366	377 490	307 814	345 056	345 056	345 056	391 153	415 475	459 674
Reserves	4	-	-	-	34 659	34 659	34 659	34 659	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	307 814	340 366	377 490	342 474	379 715	379 715	379 715	391 153	415 475	459 674

References

1. Detail to be provided in Table SA3
2. Include completed low cost housing to be transferred to beneficiaries within 12 months
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
4. Detail to be provided in Table SA3. Includes reserves to be funded by statute
5. Net assets must balance with Total Community Wealth/Equity

KZN293 Ndwedwe - Table A7 Budgeted Cash Flows

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		4 740	8 600	12 222	7 866	11 600	11 600	11 600	15 810	16 664	17 563
Service charges					-	-	-	-	-	-	-
Other revenue		627	913	753	546	2 049	2 049	2 049	1 005	1 059	1 117
Government - operating	1	120 246	143 735	169 233	134 412	137 737	137 737	137 737	153 016	161 173	173 077
Government - capital	1	28 907			29 267	29 267	29 267	29 267	29 809	31 306	33 460
Interest		7 301	9 133	10 484	13 286	10 650	10 650	10 650	11 000	11 594	12 220
Dividends									-	-	-
Payments											
Suppliers and employees		(83 398)	(116 722)	(127 522)	(160 740)	(169 505)	(169 505)	(169 505)	(149 179)	(157 233)	(166 635)
Finance charges		(12)	(19)	(117)					-	-	-
Transfers and Grants	1								(2 600)	(2 740)	(2 888)
NET CASH FROM/(USED) OPERATING ACTIVITIES		78 410	45 641	65 053	24 636	21 798	21 798	21 798	58 860	61 822	67 915
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(45 565)	(43 290)	(54 501)	(71 491)	(62 872)	(62 872)	(62 872)	(65 848)	(31 906)	(33 460)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(45 565)	(43 290)	(54 501)	(71 491)	(62 872)	(62 872)	(62 872)	(65 848)	(31 906)	(33 460)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(133)							-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(133)	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		32 712	2 351	10 552	(46 855)	(41 075)	(41 075)	(41 075)	(6 988)	29 916	34 455
Cash/cash equivalents at the year begin:	2	76 667	109 380	111 731	111 731	122 283	122 283	122 283	81 208	74 221	104 137
Cash/cash equivalents at the year end:	2	109 380	111 731	122 283	64 876	81 208	81 208	81 208	74 221	104 137	138 593

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities

2. Cash equivalents includes investments with maturities of 3 months or less

3. The MTREF is populated directly from SA30.

Total receipts	161 821	162 382	192 692	185 377	191 303	191 303	191 303	210 640	221 795	237 438
Total payments	(128 976)	(160 031)	(182 140)	(232 232)	(232 377)	(232 377)	(232 377)	(217 628)	(191 879)	(202 983)
	32 845	2 351	10 552	(46 855)	(41 075)	(41 075)	(41 075)	(6 988)	29 916	34 455
Borrowings & investments & c.deposits	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	(133)	-	-	-	-	-	-	-	-	-
	32 712	2 351	10 552	(46 855)	(41 075)	(41 075)	(41 075)	(6 988)	29 916	34 455

KZN293 Ndwedwe - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
<u>Cash and investments available</u>											
Cash/cash equivalents at the year end	1	109 380	111 731	122 283	64 876	81 208	81 208	81 208	74 221	104 137	138 591
Other current investments > 90 days		-	-	-	46 855	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		109 380	111 731	122 283	111 731	81 208	81 208	81 208	74 221	104 137	138 591
<u>Application of cash and investments</u>											
Unspent conditional transfers		6 071	6 148	1 007	6 148	1 007	1 007	1 007	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	17 603	6 017	19 404	10 125	19 496	19 496	19 496	46 235	61 423	61 621
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		23 674	12 165	20 411	16 273	20 503	20 503	20 503	46 235	61 423	61 621
Surplus(shortfall)		85 705	99 566	101 872	95 458	60 705	60 705	60 705	27 985	42 714	76 970

References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

Other working capital requirements

Debtors	5 837	9 018	9 497	4 910	9 405	9 405	9 405	8 852	7 720	6 527
Creditors due	23 440	15 035	28 901	15 035	28 901	28 901	28 901	55 087	69 143	68 148
Total	(17 603)	(6 017)	(19 404)	(10 125)	(19 496)	(19 496)	(19 496)	(46 235)	(61 423)	(61 621)

Debtors collection assumptions

Balance outstanding - debtors	11 247	9 960	11 064	9 960	11 492	11 492	11 492	10 248	8 938	7 556
Estimate of debtors collection rate	51.9%	90.5%	85.8%	49.3%	81.8%	81.8%	81.8%	86.4%	86.4%	86.4%

Long term investments committed

Balance (Insert description; eg sinking fund)

[illegible]

KZN293 Ndwedwe - Table A9 Asset Management

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	45 565	43 290	54 501	71 491	60 172	60 172	65 848	31 906	33 460
Roads Infrastructure		42 742	21 011	51 046	33 667	10 021	10 021	27 286	21 000	22 445
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	1 150	3 518	3 518	1 150	-	-
Water Supply Infrastructure		-	-	-	2 900	1 900	1 900	1 000	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	2 000	400	400	1 000	600	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		42 742	21 011	51 046	39 717	15 839	15 839	30 436	21 600	22 445
Community Facilities		-	10 859	77	13 604	11 328	11 328	18 627	10 306	11 015
Sport and Recreation Facilities		-	-	-	300	11 413	11 413	1 900	-	-
Community Assets		-	10 859	77	13 904	22 741	22 741	20 527	10 306	11 015
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	1 861	-	12 320	10 500	10 500	3 500	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	1 861	-	12 320	10 500	10 500	3 500	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	850	-	-	-	-	-	-	-
Intangible Assets		-	850	-	-	-	-	-	-	-
Computer Equipment		443	974	573	620	682	682	415	-	-
Furniture and Office Equipment		110	374	208	2 580	1 890	1 890	1 020	-	-
Machinery and Equipment		136	1 739	1 133	150	5 870	5 870	1 650	-	-
Transport Assets		2 134	5 621	1 463	2 200	2 650	2 650	8 300	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

KZN293 Ndwedwe - Table A9 Asset Management

Description		Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Total Upgrading of Existing Assets											
Roads Infrastructure											
Storm water Infrastructure											
Electrical Infrastructure											
Water Supply Infrastructure											
Sanitation Infrastructure											
Solid Waste Infrastructure											
Rail Infrastructure											
Coastal Infrastructure											
Information and Communication Infrastructure											
Infrastructure											
Community Facilities											
Sport and Recreation Facilities											
Community Assets											
Heritage Assets											
Revenue Generating											
Non-revenue Generating											
Investment properties											
Operational Buildings											
Housing											
Other Assets											
Biological or Cultivated Assets											
Servitudes											
Licences and Rights											
Intangible Assets											
Computer Equipment											
Furniture and Office Equipment											
Machinery and Equipment											
Transport Assets											
Land											
Zoo's, Marine and Non-biological Animals											
Total Capital Expenditure											
Roads Infrastructure											
Storm water Infrastructure											
Electrical Infrastructure											
Water Supply Infrastructure											
Sanitation Infrastructure											
Solid Waste Infrastructure											
Rail Infrastructure											
Coastal Infrastructure											
Information and Communication Infrastructure											
Infrastructure											
Community Facilities											
Sport and Recreation Facilities											
Community Assets											
Heritage Assets											
Revenue Generating											
Non-revenue Generating											
Investment properties											
Operational Buildings											
Housing											
Other Assets											
Biological or Cultivated Assets											
Servitudes											
Licences and Rights											
Intangible Assets											
Computer Equipment											
Furniture and Office Equipment											
Machinery and Equipment											
Transport Assets											
Land											
Zoo's, Marine and Non-biological Animals											
TOTAL CAPITAL EXPENDITURE - Asset class											

KZN293 Ndwedwe - Table A9 Asset Management

Description		Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
ASSET REGISTER SUMMARY - PPE (WDV)			5	217 902	241 261	276 515	71 491	339 387	339 387	364 236	374 008	384 138
Roads Infrastructure				139 303	127 372	168 321	33 667	179 542	179 542	183 272	191 555	200 596
Storm water Infrastructure							-	-	-	-	-	-
Electrical Infrastructure							1 518	3 518	4 668	4 668	4 668	
Water Supply Infrastructure							2 900	1 900	2 900	2 900	2 900	
Sanitation Infrastructure							-	-	-	-	-	
Solid Waste Infrastructure							2 000	400	400	1 400	2 000	2 000
Rail Infrastructure												
Coastal Infrastructure												
Information and Communication Infrastructure												
Infrastructure				139 303	127 372	168 321	39 717	185 360	185 360	192 240	201 122	210 164
Community Assets				52 747	79 976	76 274	13 904	100 515	100 515	112 227	117 774	123 774
Heritage Assets												
Investment properties												
Other Assets				9 848	11 132	10 556	12 320	21 056	21 056	23 114	22 462	21 471
Biological or Cultivated Assets												
Intangible Assets				16	763	589	620	589	589	289	-	-
Computer Equipment				899	1 874	1 544	2 580	682	682	1 370	684	(39)
Furniture and Office Equipment				903	1 015	1 015	150	1 890	1 890	3 310	2 978	2 628
Machinery and Equipment				7 082	7 784	8 516	2 200	16 944	16 944	14 316	13 387	12 408
Transport Assets				7 103	11 344	9 700		12 350	12 350	17 370	15 600	13 733
Land												
Zoo's, Marine and Non-biological Animals												
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)			5	217 902	241 261	276 515	71 491	339 387	339 387	364 236	374 008	384 138
EXPENDITURE OTHER ITEMS				19 370	20 481	17 760	27 570	25 350	25 350	27 720	29 217	30 795
Depreciation			7	15 474	16 301	17 760	20 000	20 000	20 000	21 000	22 134	23 329
Repairs and Maintenance by Asset Class			3	3 896	4 181	-	7 570	5 350	5 350	6 720	7 083	7 465
Roads Infrastructure				490	-	-	1 200	67	67	-	-	-
Storm water Infrastructure				-	-	-	-	-	-	-	-	-
Electrical Infrastructure				-	-	-	-	-	-	-	-	-
Water Supply Infrastructure				-	-	-	-	-	-	-	-	-
Sanitation Infrastructure				-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure				-	-	-	-	-	-	-	-	-
Rail Infrastructure				-	-	-	-	-	-	-	-	-
Coastal Infrastructure				-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure				-	-	-	-	-	-	-	-	-
Infrastructure				490	-	-	1 200	67	67	-	-	-
Community Facilities				1 038	1 006	-	-	2 500	2 500	3 000	3 162	3 333
Sport and Recreation Facilities				-	-	-	1 800	1 118	1 118	1 900	2 003	2 111
Community Assets				1 038	1 006	-	1 800	3 618	3 618	4 900	5 165	5 443
Heritage Assets				-	-	-	-	-	-	-	-	-
Revenue Generating				-	-	-	-	-	-	-	-	-
Non-revenue Generating				-	-	-	-	-	-	-	-	-
Investment properties				-	-	-	-	-	-	-	-	-
Operational Buildings				612	1 505	-	3 300	300	300	400	422	444
Housing				-	-	-	-	-	-	-	-	-
Other Assets				612	1 505	-	3 300	300	300	400	422	444
Biological or Cultivated Assets				-	-	-	-	-	-	-	-	-
Servitudes				-	-	-	-	-	-	-	-	-
Licences and Rights				-	-	-	-	-	-	-	-	-
Intangible Assets				-	-	-	-	-	-	-	-	-
Computer Equipment				284	451	-	70	95	95	70	74	78
Furniture and Office Equipment				-	-	-	-	-	-	-	-	-
Machinery and Equipment				-	-	-	-	-	-	-	-	-
Transport Assets				1 472	1 219	-	1 200	1 270	1 270	1 350	1 423	1 500
Land				-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals				-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS				19 370	20 481	17 760	27 570	25 350	25 350	27 720	29 217	30 795
Renewal and upgrading of Existing Assets as % of total capex				0.0%	0.0%	0.0%	0.0%	4.3%	4.3%	0.0%	0.0%	0.0%
Renewal and upgrading of Existing Assets as % of deprecn				0.0%	0.0%	0.0%	0.0%	13.5%	13.5%	0.0%	0.0%	0.0%
R&M as a % of PPE				1.8%	1.7%	0.0%	3.1%	1.7%	1.7%	1.8%	1.9%	1.9%
Renewal and upgrading and R&M as a % of PPE				2.0%	2.0%	0.0%	11.0%	2.0%	2.0%	2.0%	2.0%	2.0%

References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure

KZN293 Ndwedwe - Table A10 Basic service delivery measurement

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	-	-	-	-	-	-
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)					700 000	650 000	650 000	800 000	843 200	888 733
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		2 686	2 835	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other	6									
Total revenue cost of subsidised services provided		2 686	2 835	-	-	-	-	-	-	-

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF ANNUAL BUDGET PROCESS

2.1.1 Background

Section 53 of the MFMA requires the Mayor to provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. To assist the prioritisation and spending plans of Council, the political component has a duty to oversee the budget process. In addition, chapter 2 of MBRR states that the mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of MFMA.

The municipal has a functional Budget Steering Committee (BSC) is in place. The BSC monitors financial planning and spending plans, and advises Council accordingly. The BSC also considers all budget-related policies before these are tabled to Council for approval.

Ndwedwe Municipality is required to follow a strict budget process that enables significant participation by the community and all stakeholders. This budget process is governed by the MSA and the MFMA.

The draft 2019/2020 MTREF will be submitted to Provincial and National Treasury immediately after being considered by the council as required by MFMA.

2.1.2 Political oversight

Section 53 of the MFMA requires the Mayor to provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. To assist the prioritisation and spending plans of Council, the political component has a duty to oversee the budget process.

The municipal has a functional Budget Steering Committee in place. The BSC monitors financial planning and spending plans, and advises Council accordingly. The BSC also considers all budget-related policies before these are tabled to Council for approval.

2.1.3 Budget-related policies

All budget-related policies were taken into account in developing the draft 2019/2020 MTREF:

2.1.4 Alignment with national & provincial priorities

The MTREF is in line with National and Provincial objectives. The successful alignment of Ndwedwe municipality service delivery priorities, as captured in its IDP, with these objectives is critical in achieving its developmental goals. The MTREF is also formulated in a manner that supports Ndwedwe municipality long-term sustainable growth and development.

The following priorities are National Government's framework to enhance the social, cultural and economic welfare of all South Africans:

- Protect the poor
- Build capacity for long-term growth
- Sustain employment growth
- Maintain sustainable debt level
- Address sector barriers to growth and investment

2.1.5 Key deadlines

The budget time schedule for compilation of the DRAFT MTREF was approved in August 2018, in compliance with the MFMA's requirements.

The budget timetable is necessary to ensure integration between the IDP and the MTREF. It also ensures a balanced budget is tabled to Council for consideration and approval.

2.1.6 Importance of producing a balanced and credible MTREF

A credible MTREF is one that is highly achievable, as it is in line with all agreed service delivery and performance targets. It contains revenue and expenditure projections that are consistent with current and past performance. These projections are also supported by documented evidence of future assumptions. Only activities that are consistent with the revised IDP are funded. This ensures that the IDP remains realistically achievable given Ndwedwe municipality financial constraints. A credible MTREF does not jeopardize financial viability, because it ensures that the financial position is maintained within generally accepted prudent limits and that obligations can be met. It also provides the Head of Department with appropriate levels of delegation sufficient to meet their financial management responsibilities.

It must also be stated that the implementation of mSCOA requires a direct link between the IDP and Budget and it is therefore vital that all stakeholders respect the various timeframes. The nature of the process results in subsequent delays should any one of the components be delayed.

2.1.7 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in March) a time schedule that sets out the process to revise the IDP and prepare the budget.

August 2018 – Joint strategic planning session of the Financial Services Management team and the Budget Office. Aim: to assess Council's 2017/2018 Financial Statements and current year's (2018/2019) revised results and capacity, to determine the impact on future strategies and budgets;

September 2018 – Issuing of the 2019/2020 Medium Term Revenue and Expenditure Framework (MTREF) guideline memorandum and budget policy document addressing various budget assumptions, internal budget processes, policies and requirements in terms of the Municipal Budgeting and Reporting Regulations etc.;

24 January 2019 - Council considered the 2018/2019 Mid-year Review;

01 to 20 February 2019 – Provincial Treasury's 2018/2019 Mid-year Budget and Performance Assessment Visit;

28 February 2019 – Council considered the 2018/2019 Adjusted Budget;

29 March 2019 - Tabling in Council of the Draft 2019/2020 IDP and 2019/2020 MTREF for public consultation;

April 2019 – Public consultation;

6 May 2019 - Closing date for written comments;

7 to 18 May 2019 – finalisation of the 2019/2020 IDP and 2019/2020 MTREF, taking into consideration comments received from the public, comments, from National Treasury, and updated information from the most recent Division of Revenue Act and financial framework; and

31 May 2019 - Adopting of the 2019/2020 MTREF before Council for consideration and approval.

There have been no significant deviations from the key dates set out in the Budget Time Schedule adopted by Council as at to date. The municipality is anticipating to stick to this dates until the budget is final approved by the council in May 2019.

2.1.8 IDP and Service Delivery and Budget Implementation Plan

Integrated Development Planning (IDP) is an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development.

Through the IDP, Government priorities are translated in our strategic framework and escalated to Strategic Goals, Strategic Objectives, Strategies, Key Performance indicators, which are then further developed into programs and projects. This directly informs the municipal Service Delivery and Budget Implementation Plan. This fair alignment between IDP and Government priorities is confirmed through our budgeting, which takes into serious consideration the strategic objectives when budgeting.

With the compilation of the 2019/2020 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and second quarter performance against the 2018/2019 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.9 Financial Modeling and Key Planning Drivers

As part of the compilation of the 2019/2020 MTREF, extensive financial modeling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2019/2020 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Performance trends
- The approved 2018/2019 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for service
- Improved and sustainable service delivery

2.1.10 Community Consultation

The 2019/2020 MTREF that will be tabled before Council on 28th March 2018 will be presented to the community for consultation.

An insert will be included in the newspapers highlighting the Tabled 2019/2020 Medium Term Revenue and Expenditure Framework (MTREF) thereby inviting comments from the public.

Furthermore, the Executive Committee will approve a schedule of public meetings to be held at various locations to provide an opportunity for the public to comment on the budget.

A meeting is also scheduled with the AmaKhosi and their leadership in order to strengthen Council's relationship with traditional leaders.

The administrative planning process also took into consideration the cluster approach that was used in the previous years' budget public participation. The advantage and benefit for the use of clusters is that it creates a shared sense of belonging amongst the citizens as well as an understanding of the diverse issues and needs amongst the community of the Municipality.

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

The Integrated Development Plan (IDP) is a strategic document that clearly outlines the municipality's development objectives and provides a policy framework that guides management in decision making related to budgeting and planning. It can also be described as the approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development.

The draft 2019/2020 MTREF is linked to the IDP as the review was an aligned process of the budget as per the budget timetable as approved by council in August 2018. This has translated to the plan of the municipality for the year, which is the service delivery and budget implementation plan.

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The IDP drives the strategic development of the Municipality. The Municipality's budget is fully influenced by the strategic objectives identified in the IDP. The service delivery budget implementation plan (SDBIP) ensures that the Municipality implements programmes and projects based on the IDP targets and associated budgets. The performance of the Municipality is tabled in its Annual report.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

Refer to table SA4, SA5, SA6 and SA7 which highlights the IDP's five strategic objectives for the 2019/2020 MTREF and further planning refinements that have directly informed the compilation of the budget:

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

A municipality's Performance Management System is a mechanism to monitor, review and improve the implementation of its IDP and monitor progress made in achieving set goals as stipulated in the IDP. Effective service delivery relies on the IDP, effective utilisation of scarce resources and the PMS system.

The IDP is developed in conjunction with the community and a realistic budget and is reviewed annually. The IDP will consider, inter alia: -

- Existing conditions, problems and resources available for development
- Economic and social development needs of the community
- It sets a framework for land use, infrastructure and services.

The Service Delivery and Budget Implementation Plan is the tool used to align the budget to the IDP. The focus of the SDBIP is both Financial and non-financial measurable performance objectives in the form of service delivery targets.

The Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organizational performance which in turn is directly linked to individual employees' performance. At this stage performance management applies to Section 57 employees and the municipality intends to cascade it to junior employees.

An organisation scorecard is developed after taking into consideration the aspects as indicated/highlighted in the IDP and SDBIP. This scorecard will be used to monitor the performance of the Municipality.

2.4 OVERVIEW OF BUDGET RELATED POLICIES

The Ndwedwe Municipalities budgeting process is guided and governed by relevant legislation, frameworks strategies and related policies.

2.4.1 Rates Policy

The Rates Policy applies to all currently rated properties and also covers exemptions, rebates and reductions. This policy ensures that all new rates are tabled to Council for approval, before being implemented. The Rates Policy is in line with MPRA.

2.4.2 Credit Control & Debt Collection Policy

The Credit Control & Debt Collection Policy, adopted by Council, focuses on all outstanding debt and aims to promote a culture of good payment habits amongst debtors. Debtors have a responsibility towards the payment of their accounts. This policy implements an appropriate, innovative system of debt collection, which is also cost-effective. The aim of this policy is to ensure that debt is collected in the shortest possible time, without any interference in the process, thereby reducing all municipal debt.

The Credit Control & Debt Collection Policy ensures a sensitive, transparent and equitable approach to debt recovery. It prescribes methods to effectively and efficiently deal with those who default on payments, whilst taking indigent consumers into consideration and keeping costs to a minimum.

2.4.3 Indigent Policy

The objective of the Indigent Policy is to ensure the following: -

- The provision of basic services to indigent households in a manner that is sustainable, within the financial and administrative capacity of the Council.
- To provide procedures and guidelines for the subsidisation of basic service charges to its indigent households, using Council's budgetary provisions, according to prescribed guidelines.

2.4.4 Tariff Policy

In terms of Section 74 of the Local Government Municipal Systems Act 2000, a municipal Council must adopt and implement a Tariff Policy. The Tariff Policy is the policy for levying fees; rates or taxes for the municipal services provided by Ndwedwe Municipality. Tariff calculations are based on the

nature of the service provided and treat all users of municipal services equally, by ensuring that consumers pay in proportion to the amount of services consumed.

This policy covers the Tariff Determination Process and also the Classification and Pricing Strategies of Services. It highlights the fact that all proposed tariffs are presented to the community of Ndwedwe Municipality during the Council's consultation process in respect of the MTREF. The aims of this policy are:

- To promote local economic development' growth and competitiveness
- To cater for the indigent households whilst keeping rates affordable
- To ensure financial sustainability of service delivery

2.4.5 Cash Management & Investment Policy

In terms of Section 13 (2) of the MFMA, a municipality must adopt a policy dealing with cash management and investments. The Investment & Cash Management Policy ensures that all investments are made in an effective and efficient manner and generate the best return for the municipality. This policy ensures that all investments made take into account the preservation and safety of the principal and appropriate liquidity.

2.4.7 Supply Chain Management Policy

A municipality is required in terms of Section 111 of the MFMA to develop and implement a Supply Chain Management Policy. The comprehensive Supply Chain Management Policy governs, inter alia, the procurement of goods and services; disposal of goods and selecting contractors to aid the Municipality in service delivery.

2.4.8 Virement Policy

The Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA. The municipality will introduce this policy for 2019/2020 financial year.

2.4.9 Budget Policy

The Budget Policy sets out the principles followed by municipality in drafting the MTREF. This policy covers the responsibilities of the Mayor; the MM; the CFO and other senior managers in preparing the MTREF. The operating and

capital budget; budget funding; budget transfers; unavoidable expenditure and the budget preparation process are covered extensively.

2.4.10 Funding & Reserve's Policy

The Funding & Reserves Policy is aimed at ensuring that the municipality procures sufficient and cost-effective funding to achieve its capital expenditure objectives in an optimum manner. This policy must be adhered to in the procurement of funding, whilst considering the maturity profile of municipalities assets and liabilities.

This policy sets out the assumptions and methodology for estimating:

- Revenue;
- Revenue that will not be collected;
- Proceeds from the disposal of assets;
- Funds to be set aside in Reserves (excluding Reserves held in order to comply with GRAP Standards)

2.4.11 Asset Management Policy

The Fixed Asset Management Policy governs the acquisition, utilisation, control, maintenance and disposal of assets. This policy ensures that assets are managed in an economical, effective and efficient manner throughout their life cycles, to achieve the maximum level of service.

2.4.12 Leave Management Policy

The purpose of this policy is to regulate the taking of leave by employees of Ndwedwe Local Municipality, having regard to the relevant statutory provisions regarding leave and the relevant Collective Agreement insofar as it relates to leave.

2.4.13 Disposal Policy

The purpose of this policy is to provide for an effective system for the disposal or letting of assets no longer needed, including unserviceable, redundant or obsolete assets. This disposal system is subject to sections 14 and 90 of the Municipal Finance Management Act (56, 2003).

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

In the compilation of the draft MTREF, the following influencing factors were taken into account:

Normal inflationary increases and economic pressures, especially

- Higher fuel prices.
- Consumer Price Index inflations – impacting the general tariff increases levelled by the municipality.
- Higher unemployment rate –
- Global Economic status – thus hindering the consumer's ability to timeously settle debt. A conservative approach is used for projecting revenue.

Zero-based budgeting for 2019/2020

- Zero-based budgeting is defined as a process where every Business Unit function is reviewed comprehensively and each expenditure must be approved, rather than increased.
- It requires the budget request to be justified in complete detail by each Department rather than just increasing its expenditure from the previous year.

The budgeted figure includes the normal increase of 7% in terms of existing salary agreement for (filled and vacant posts) plus 2.5% in relation to notch for those employees still qualify for notch increases.

2.5.1 Significant External Factors

- Slow economic growth in our country
- High unemployment rates
- Increasing fuel prices
- Significant fluctuations in gold, platinum and coal minerals
- Currency fluctuations
- GDP estimates for the duration of the final MTREF

2.5.2 Basis and Methodology for Forecasting Budget Projections

In terms of Chapter 4, Section 16, of the MFMA, the operational and capital budgets for the 2019/2020 financial year, and the two subsequent years, attached hereto have been prepared according to the Municipal Budget and Reporting Regulations as gazetted in Government Gazette No. 32141 published on 17 April 2009.

2.6 OVERVIEW OF BUDGET FUNDING

Section 18 (1) of the MFMA states that the annual budget may only be funded from the following: -

- Realistically anticipated revenue to be collected
- Cash backed accumulated funds from previous years' surplus funds not committed for other purposes, and
- Borrowed funds, but only for the capital budgets

Table 8: Below table indicates the total expenditure for Ndwedwe local municipality

Description	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand					
Total Capital Expenditure	71 491	60 172	65 848	31 906	33 460
Total Operating Expenditure	192 105	192 105	179 478	185 270	196 185
Total Expenditure	263 597	252 277	245 326	217 176	229 645

2.6.1 Funding sources

The funding model of the 2019/2020 MTREF is dependent on the following main revenue categories:

Table 9: Funding sources

Description	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand					
Revenue By Source					
Property rates	15 731	14 501	17 566	18 515	19 515
Rental of facilities and equipment	426	457	600	632	667
Interest earned - external investments	12 500	10 650	11 000	11 594	12 220
Interest earned - outstanding debtors	786	-	-	-	-
Fines, penalties and forfeits	-	634	800	843	889
Licences and permits	-	2	5	5	6
Transfers and subsidies	134 412	137 737	153 016	161 173	173 077
Other revenue	120	1 083	496	523	551
Gains on disposal of PPE	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	163 975	165 063	183 483	193 286	206 924

2.6.2 Tariff of charges

The Tariff of Charges is proposed to be implemented on 01 July 2019. This document provides for major services, and lists minor and miscellaneous tariffs – including the hiring of municipal facilities and town planning. An intensive and rigorous tariff setting process is undertaken to ensure the compilation of a credible and realistic budget.

2.6.3 Investments

Ndwedwe Municipality has funds held in bank deposits, including the depositing of grant funding into ring fenced call deposit accounts in order to improve management of grant funding.

The cash and investments of Ndwedwe municipality currently amount to R141, 9 million as at 28 February 2019. It should be noted that these funds are committed as conditional grants or operating funds.

2.6.4 Government grant allocations

National and Provincial Allocations:

The amended DORA allocations that will be granted to Ndwedwe Municipality consist of:

Table 10: National and Provincial Allocations:

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		127 923	119 405	121 911	133 020	133 020	133 020	151 567	161 173	173 077
Local Government Equitable Share		110 311	108 709	118 243	129 855	129 855	129 855	147 784	158 308	169 946
Finance Management		1 800	1 825	1 900	1 970	1 970	1 970	2 435	2 867	3 131
EPWP Incentive		1 158	1 791	1 768	1 195	1 195	1 195	1 348		
Integrated National Electrification Programme										
Municipal Systems Improvement		930								
Neighbourhood Development Partnership		13 724	7 080							
Other transfers/grants [insert description]										
Provincial Government:		798	4 705	2 055	1 392	4 667	4 667	1 449	-	-
Sport and Recreation		54	80			50	50			
Co-operative Governance and Traditional Affairs						3 000	3 000			
Provincial Library Grant		744	1 265	1 325	1 392	1 617	1 617	1 449		
Small Town Rehabilitation Project			3 360	740						
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	50	50	-	-	-
Ilembe District						50	50			
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	128 721	124 110	123 976	134 412	137 737	137 737	153 016	161 173	173 077
Capital Transfers and Grants										
National Government:		28 907	19 548	32 678	35 267	35 267	35 267	29 809	31 306	33 460
Municipal Infrastructure Grant (MIG)		28 907	19 548	32 678	29 267	29 267	29 267	29 809	31 306	33 460
Integrated National Electrification Programme					6 000	6 000	6 000			
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
Ilembe District										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	28 907	19 548	32 678	35 267	35 267	35 267	29 809	31 306	33 460
TOTAL RECEIPTS OF TRANSFERS & GRANTS		157 628	143 658	156 654	169 679	173 004	173 004	182 825	192 479	206 537

All of the above allocations, excluding Equitable Share, are conditional grants. This means that they have been allocated to Ndwedwe Municipality for a specific purpose and may not be used to fund any other expenditure. Once all conditions are met, these allocations are transferred to the Statement of Financial Performance in order to match the expenditure incurred.

This is in compliance with the relevant GRAP standards. The transfers indicated on the Statement of Financial Performance are, therefore, accounting entries and do not actually represent cash on hand.

2.7 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

Grant funding and expenditure is covered in detail in Supporting Tables SA18, SA19 and SA20.

Table 11: expenditure on allocations and grant programmes

KZN293 Ndwedwe - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		127 923	119 405	121 911	133 020	133 020	133 020	151 567	161 173	173 077
Local Government Equitable Share		110 311	108 709	118 243	129 855	129 855	129 855	147 784	156 306	169 946
Finance Management		1 800	1 825	1 900	1 970	1 970	1 970	2 435	2 867	3 131
EPWP Incentive		1 158	1 791	1 768	1 195	1 195	1 195	1 348		
Integrated National Electrification Programme										
Municipal Systems Improvement		930								
Neighbourhood Development Partnership		13 724	7 080							
Other transfers/grants [insert description]										
Provincial Government:		798	4 705	2 065	1 392	4 667	4 667	1 449	-	-
Sport and Recreation		54	80			50	50			
Co-operative Governance and Traditional Affairs						3 000	3 000			
Provincial Library Grant		744	1 265	1 325	1 392	1 617	1 617	1 449		
Small Town Rehabilitation Project			3 360	740						
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	50	50	-	-	-
Hembe District						50	50			
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants		128 721	124 110	123 976	134 412	137 737	137 737	153 016	161 173	173 077
Capital expenditure of Transfers and Grants										
National Government:		28 907	19 548	32 678	35 267	35 267	35 267	29 809	31 306	33 460
Municipal Infrastructure Grant (MIG)		28 907	19 548	32 678	29 267	29 267	29 267	29 809	31 306	33 460
Integrated National Electrification Programme					6 000	6 000	6 000			
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
Hembe District										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		28 907	19 548	32 678	35 267	35 267	35 267	29 809	31 306	33 460
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		157 628	143 658	156 654	169 679	173 004	173 004	182 825	192 479	206 537

2.8 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

The budget related to funds made by the municipality amounts to R2,6million which can be explain as follows;

- R0, 8 million related to the Electricity subsidies
- R1, million related to grant to the service provider who will organise the Ndwedwe Music Festival
- R500 thousands related to Indigent Burial Assistance and,
- R300 thousands related to "Disaster Management (Emergency Relief)

2.9 COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

The budget allocation for employee related cost for municipal staff including councillors amounts to R78, 5million for 2019/2020 MTREF. This amount includes posts as per the current staff establishment well as 7% of salary increment as indicated under executive summary (Employee Related Cost) above and 2.5 per cent applicable to the notch increase for those employees that still within their notches. Below are the supporting tables that indicates how the salaries and allowances are allocated.

Table 12: Councillor and board member allowances and employee benefits

KZN293 Ndwedwe - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		7 274	8 592	13 383	11 588	11 588	11 588	11 950	12 596	13 414
Pension and UIF Contributions		847	398	1 015	649	649	649	1 040	1 096	1 167
Medical Aid Contributions		235	123	421	345	345	345	442	466	496
Motor Vehicle Allowance		800	142	127	133	133	133	272	286	305
Cellphone Allowance		770	792	1 632	1 608	1 608	1 608	1 623	1 711	1 822
Housing Allowances										
Other benefits and allowances		1 636	1 639	2 397						
Sub Total - Councillors		11 361	11 686	18 976	14 324	14 324	14 324	15 327	16 155	17 205
% increase	4		2.9%	62.4%	(24.5%)	-	-	7.0%	5.4%	6.5%
Senior Managers of the Municipality										
Basic Salaries and Wages		2 792	1 561	2 706	3 718	3 148	3 148	3 718	3 919	4 173
Pension and UIF Contributions		69	38	91	12	31	31	37	39	42
Medical Aid Contributions					227	135	135	135	143	152
Overtime										
Performance Bonus			29		105	200	200	650	685	730
Motor Vehicle Allowance	3	855	477	875	1 264	1 100	1 100	1 245	1 313	1 398
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3	44		8						
Payments in lieu of leave				425						
Long service awards										
Postretirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		3 760	2 106	4 104	5 327	4 614	4 614	5 786	6 098	6 495
			(44.0%)	94.9%	29.8%	(13.4%)	-	25.4%	5.4%	6.5%
Other Municipal Staff										
Basic Salaries and Wages		20 433	21 972	20 786	43 041	31 581	31 581	41 495	43 735	46 578
Pension and UIF Contributions		2 823	3 140	4 193	6 407	5 385	5 385	6 594	6 951	7 402
Medical Aid Contributions		1 310	1 571	1 748	4 284	2 204	2 204	2 264	2 386	2 542
Overtime		528	908	1 215	1 150	660	660	660	696	741
Performance Bonus			(29)	2 007		-	-			
Motor Vehicle Allowance	3	574	777	568	1 730	1 184	1 184	1 541	1 624	1 730
Cellphone Allowance	3									
Housing Allowances	3	170	187	202	368	215	215	215	227	242
Other benefits and allowances	3	1 634	1 615	997		630	630	3 899	4 110	4 377
Payments in lieu of leave				(425)		2 838	2 838	755	796	847
Long service awards		276	260	13						
Postretirement benefit obligations	6									
Sub Total - Other Municipal Staff		27 749	30 401	31 303	56 980	44 697	44 697	57 424	60 525	64 459
			9.6%	3.0%	82.0%	(21.6%)	-	28.5%	5.4%	6.5%
Total Parent Municipality		42 869	44 193	54 383	76 631	63 635	63 635	78 537	82 778	88 158
			3.1%	23.1%	40.9%	(17.0%)	-	23.4%	5.4%	6.5%
TOTAL SALARY, ALLOWANCES & BENEFITS		42 869	44 193	54 383	76 631	63 635	63 635	78 537	82 778	88 158
			3.1%	23.1%	40.9%	(17.0%)	-	23.4%	5.4%	6.5%
TOTAL MANAGERS AND STAFF	5.7	31 509	32 507	35 407	62 307	49 311	49 311	63 209	66 623	70 953

Table 13: Councillor and Senior Managers benefits

KZN293 Ndwedwe - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)					
Disclosure of Salaries, Allowances & Benefits 1.	Salary	Contributions	Allowances	Performance Bonuses	Total Package
Rand per annum		1.			2.
Councillors					
Speaker	640 869	48 812	51 681		741 362
Chief Whip					-
Executive Mayor	854 910	37 599	43 656		936 165
Deputy Executive Mayor	601 663	122 440	43 656		767 759
Executive Committee	2 675 000	321 000	174 624		3 170 624
Total for all other councillors	7 177 889	1 223 604	1 309 680		9 711 173
Total Councillors	11 950 331	1 753 456	1 623 297		15 327 084
Senior Managers of the Municipality					
Municipal Manager (MM)	713 834	7 138	268 647	150 000	1 139 620
Chief Finance Officer	627 122	6 271	195 360	100 000	928 753
Director Community Services	627 122	26 271	195 365	100 000	948 758
Director Corporate Services	540 865	50 639	195 365	100 000	886 869
Director EDP	627 122	25 639	195 360	100 000	948 121
	581 909	56 437	195 360	100 000	933 706
Total Senior Managers of the Municipality	3 717 972	172 396	1 245 457	650 000	5 785 826
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	15 668 304	1 925 852	2 868 754	650 000	21 112 910

2.10 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

Table 14: Monthly targets for revenue, expenditure and cash flow

KZN293 Ndwedwe - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand																
Revenue By Source																
Property rates		1 464	1 464	1 464	1 464	1 464	1 464	1 464	1 464	1 464	1 464	1 464	1 464	17 566	18 515	19 515
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	50	50	50	50	50	50	50	50	50	50	50	50	50	600	632	667
Interest earned - external investments	917	917	917	917	917	917	917	917	917	917	917	917	917	11 000	11 594	12 220
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	67	67	67	67	67	67	67	67	67	67	67	67	67	800	843	889
Licences and permits	0	0	0	0	0	0	0	0	0	0	0	0	0	5	5	6
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	12 751	12 751	12 751	12 751	12 751	12 751	12 751	12 751	12 751	12 751	12 751	12 751	12 751	153 016	161 173	173 077
Other revenue	41	41	41	41	41	41	41	41	41	41	41	41	41	466	523	551
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		15 290	15 290	15 290	15 290	15 290	15 290	15 290	15 290	15 290	15 290	15 290	15 290	183 483	193 286	205 924
Expenditure By Type																
Employee related costs	5 267	5 267	5 267	5 267	5 267	5 267	5 267	5 267	5 267	5 267	5 267	5 267	5 267	63 208	66 623	70 963
Remuneration of councillors	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	15 327	16 155	17 205
Debt impairment	260	260	260	260	260	260	260	260	260	260	260	260	260	3 000	3 162	3 333
Depreciation & asset impairment	1 750	1 750	1 750	1 750	1 750	1 750	1 750	1 750	1 750	1 750	1 750	1 750	1 750	21 000	22 134	23 329
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	33	33	33	33	33	33	33	33	33	33	33	33	33	360	411	433
Contracted services	3 328	3 328	3 328	3 328	3 328	3 328	3 328	3 328	3 328	3 328	3 328	3 328	3 328	39 931	38 187	40 250
Transfers and subsidies	217	217	217	217	217	217	217	217	217	217	217	217	217	2 600	2 740	2 888
Other expenditure	2 835	2 835	2 835	2 835	2 835	2 835	2 835	2 835	2 835	2 835	2 835	2 835	2 835	34 020	35 657	37 794
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		14 955	14 955	14 955	14 955	14 955	14 955	14 955	14 955	14 955	14 955	14 955	14 955	179 478	185 270	196 185
Surplus/(Deficit)																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		334	334	334	334	334	334	334	334	334	334	334	334	4 006	8 016	10 739
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		2 484	2 484	2 484	2 484	2 484	2 484	2 484	2 484	2 484	2 484	2 484	2 484	29 809	31 306	33 460
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	33 815	39 322	44 159
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	33 815	39 322	44 159

Table 16: Budget Monthly Revenue and expenditure by municipal vote

KZN293Ndwedwe- Supporting Table S46 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote																
Vote 1- EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2- MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3- BUDGET AND TREASURY OFFICE		1507	1507	1507	1507	1507	1507	1507	1507	1507	1507	1507	1507	18085	18285	20924
Vote 4- CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5- TECHNICAL SERVICES		2936	2936	2936	2936	2936	2936	2936	2936	2936	2936	2936	2936	31157	31335	33480
Vote 6- ECONOMIC DEVELOPMENT AND PLANNING		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7- COMMUNITY SERVICES		121	121	121	121	121	121	121	121	121	121	121	121	1498	-	-
Vote 8- [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9- [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10- [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11- [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12- [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13- [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14- [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15- [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		17774	17774	17774	17774	17774	17774	17774	17774	17774	17774	17774	17774	20322	20492	240384
Expenditure by Vote to be appropriated																
Vote 1- EXECUTIVE AND COUNCIL		1561	1561	1561	1561	1561	1561	1561	1561	1561	1561	1561	1561	18732	18744	20987
Vote 2- MUNICIPAL MANAGER		1793	1793	1793	1793	1793	1793	1793	1793	1793	1793	1793	1793	21503	22655	24104
Vote 3- BUDGET AND TREASURY OFFICE		3992	3992	3992	3992	3992	3992	3992	3992	3992	3992	3992	3992	47908	50465	53352
Vote 4- CORPORATE SERVICES		3220	3220	3220	3220	3220	3220	3220	3220	3220	3220	3220	3220	38762	40855	43217
Vote 5- TECHNICAL SERVICES		1504	1504	1504	1504	1504	1504	1504	1504	1504	1504	1504	1504	18054	18008	20164
Vote 6- ECONOMIC DEVELOPMENT AND PLANNING		1255	1255	1255	1255	1255	1255	1255	1255	1255	1255	1255	1255	15537	12477	13225
Vote 7- COMMUNITY SERVICES		1581	1581	1581	1581	1581	1581	1581	1581	1581	1581	1581	1581	18972	18935	21204
Vote 8- [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9- [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10- [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11- [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12- [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13- [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14- [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15- [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		14955	14955	14955	14955	14955	14955	14955	14955	14955	14955	14955	14955	179478	185270	185185
Surplus/(Deficit) before assoc.		2818	2818	2818	2818	2818	2818	2818	2818	2818	2818	2818	2818	33815	33322	44199
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attribute to priorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/(deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	2818	2818	2818	2818	2818	2818	2818	2818	2818	2818	2818	2818	33815	33322	44199

Table 17: Budget Monthly Revenue and expenditure by functional classification

KZN293 Ndwedwe - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand																
Revenue - Functional																
Governance and administration		15 057	15 057	15 057	15 057	15 057	15 057	15 057	15 057	15 057	15 057	15 057	15 057	180 686	193 286	206 924
Executive and council														-	-	-
Finance and administration		15 057	15 057	15 057	15 057	15 057	15 057	15 057	15 057	15 057	15 057	15 057	15 057	180 686	193 286	206 924
Internal audit														-	-	-
Community and public safety		121	121	121	121	121	121	121	121	121	121	121	121	1 448	-	-
Community and social services		121	121	121	121	121	121	121	121	121	121	121	121	1 448	-	-
Sport and recreation														-	-	-
Public safety														-	-	-
Housing														-	-	-
Health														-	-	-
Economic and environmental services		2 596	2 596	2 596	2 596	2 596	2 596	2 596	2 596	2 596	2 596	2 596	2 596	31 157	31 306	33 460
Planning and development														-	-	-
Road transport		2 596	2 596	2 596	2 596	2 596	2 596	2 596	2 596	2 596	2 596	2 596	2 596	31 157	31 306	33 460
Environmental protection														-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy sources														-	-	-
Water management														-	-	-
Waste water management														-	-	-
Waste management														-	-	-
Other														-	-	-
Total Revenue - Functional		17 774	17 774	17 774	17 774	17 774	17 774	17 774	17 774	17 774	17 774	17 774	17 774	213 282	224 582	240 384
Expenditure - Functional																
Governance and administration		10 576	10 576	10 576	10 576	10 576	10 576	10 576	10 576	10 576	10 576	10 576	10 576	126 915	133 768	141 590
Executive and council		3 354	3 354	3 354	3 354	3 354	3 354	3 354	3 354	3 354	3 354	3 354	3 354	40 245	42 418	45 011
Finance and administration		7 222	7 222	7 222	7 222	7 222	7 222	7 222	7 222	7 222	7 222	7 222	7 222	86 670	91 350	96 579
Internal audit														-	-	-
Community and public safety		1 581	1 581	1 581	1 581	1 581	1 581	1 581	1 581	1 581	1 581	1 581	1 581	18 972	19 996	21 204
Community and social services		1 581	1 581	1 581	1 581	1 581	1 581	1 581	1 581	1 581	1 581	1 581	1 581	18 972	19 996	21 204
Sport and recreation														-	-	-
Public safety														-	-	-
Housing														-	-	-
Health														-	-	-
Economic and environmental services		2 686	2 686	2 686	2 686	2 686	2 686	2 686	2 686	2 686	2 686	2 686	2 686	32 233	30 074	31 886
Planning and development		1 295	1 295	1 295	1 295	1 295	1 295	1 295	1 295	1 295	1 295	1 295	1 295	15 537	12 477	13 226
Road transport		1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	1 391	16 696	17 597	18 640
Environmental protection														-	-	-
Trading services		113	113	113	113	113	113	113	113	113	113	113	113	1 358	1 431	1 524
Energy sources														-	-	-
Water management														-	-	-
Waste water management														-	-	-
Waste management		113	113	113	113	113	113	113	113	113	113	113	113	1 358	1 431	1 524
Other														-	-	-
Total Expenditure - Functional		14 956	14 956	14 956	14 956	14 956	14 956	14 956	14 956	14 956	14 956	14 956	14 956	179 478	185 278	196 185
Surplus/(Deficit) before assoc.		2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	33 815	39 322	44 199
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	2 818	33 815	39 322	44 199

Table 18: Budget monthly capital expenditure by municipal vote

KZN293 Ndwedwe - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Multi-year expenditure to be appropriated	1															
Vote 1 - EXECUTIVE AND COUNCIL														-	-	-
Vote 2 - MUNICIPAL MANAGER														-	-	-
Vote 3 - BUDGET AND TREASURY OFFICE														-	-	-
Vote 4 - CORPORATE SERVICES														-	-	-
Vote 5 - TECHNICAL SERVICES		517	517	517	517	517	517	517	517	517	517	517	517	6 200	-	-
Vote 6 - ECONOMIC DEVELOPMENT AND PLANNING		83	83	83	83	83	83	83	83	83	83	83	83	1 000	-	-
Vote 7 - COMMUNITY SERVICES		83	83	83	83	83	83	83	83	83	83	83	83	1 000	600	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Capital multi-year expenditure sub-total	2	683	683	683	683	683	683	683	683	683	683	683	683	8 200	600	-
Single-year expenditure to be appropriated																
Vote 1 - EXECUTIVE AND COUNCIL		192	192	192	192	192	192	192	192	192	192	192	192	2 300	-	-
Vote 2 - MUNICIPAL MANAGER		13	13	13	13	13	13	13	13	13	13	13	13	150	-	-
Vote 3 - BUDGET AND TREASURY OFFICE		20	20	20	20	20	20	20	20	20	20	20	20	240	-	-
Vote 4 - CORPORATE SERVICES		555	555	555	555	555	555	555	555	555	555	555	555	6 655	-	-
Vote 5 - TECHNICAL SERVICES		3 983	3 983	3 983	3 983	3 983	3 983	3 983	3 983	3 983	3 983	3 983	3 983	47 793	31 306	33 460
Vote 6 - ECONOMIC DEVELOPMENT AND PLANNING		13	13	13	13	13	13	13	13	13	13	13	13	160	-	-
Vote 7 - COMMUNITY SERVICES		29	29	29	29	29	29	29	29	29	29	29	29	350	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Capital single-year expenditure sub-total	2	4 804	4 804	4 804	4 804	4 804	4 804	4 804	4 804	4 804	4 804	4 804	4 804	57 648	31 306	33 460
Total Capital Expenditure	2	5 487	5 487	5 487	5 487	5 487	5 487	5 487	5 487	5 487	5 487	5 487	5 487	65 848	31 906	33 460

Table 19: Budget monthly capital expenditure by functional classification

KZN293 Ndwedwe - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital Expenditure - Functional	1															
Governance and administration		779	779	779	779	779	779	779	779	779	779	779	779	9 345	-	-
Executive and council		204	204	204	204	204	204	204	204	204	204	204	204	2 450	-	-
Finance and administration		575	575	575	575	575	575	575	575	575	575	575	575	6 895	-	-
Internal audit														-	-	-
Community and public safety		113	113	113	113	113	113	113	113	113	113	113	113	1 350	600	-
Community and social services		113	113	113	113	113	113	113	113	113	113	113	113	1 350	600	-
Sport and recreation														-	-	-
Public safety														-	-	-
Housing														-	-	-
Health														-	-	-
Economic and environmental services		4 596	4 596	4 596	4 596	4 596	4 596	4 596	4 596	4 596	4 596	4 596	4 596	55 153	31 306	33 460
Planning and development		97	97	97	97	97	97	97	97	97	97	97	97	1 160	-	-
Road transport		4 499	4 499	4 499	4 499	4 499	4 499	4 499	4 499	4 499	4 499	4 499	4 499	53 993	31 306	33 460
Environmental protection														-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy sources														-	-	-
Water management														-	-	-
Waste water management														-	-	-
Waste management														-	-	-
Other														-	-	-
Total Capital Expenditure - Functional	2	5 487	5 487	5 487	5 487	5 487	5 487	5 487	5 487	5 487	5 487	5 487	5 487	65 848	31 906	33 460
Funded by:																
National Government		2 484	2 484	2 484	2 484	2 484	2 484	2 484	2 484	2 484	2 484	2 484	2 484	29 809	31 306	33 460
Provincial Government														-	-	-
District Municipality														-	-	-
Other transfers and grants														-	-	-
Transfers recognised - capital		2 484	2 484	2 484	2 484	2 484	2 484	2 484	2 484	2 484	2 484	2 484	2 484	29 809	31 306	33 460
Borrowing														-	-	-
Internally generated funds		3 003	3 003	3 003	3 003	3 003	3 003	3 003	3 003	3 003	3 003	3 003	3 003	36 039	600	-
Total Capital Funding		5 487	5 487	5 487	5 487	5 487	5 487	5 487	5 487	5 487	5 487	5 487	5 487	65 848	31 906	33 460

Table 20: Budget monthly cash flow

KZN293 Ndwedwe - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash Receipts By Source													1		
Property rates	1 317	1 317	1 317	1 317	1 317	1 317	1 317	1 317	1 317	1 317	1 317	1 317	15 810	16 644	17 563
Service charges - electricity revenue															
Service charges - water revenue															
Service charges - sanitation revenue															
Service charges - refuse revenue															
Rental of facilities and equipment	50	50	50	50	50	50	50	50	50	50	50	50	600	632	667
Interest earned - external investments	917	917	917	917	917	917	917	917	917	917	917	917	11 000	11 594	12 220
Interest earned - outstanding debtors															
Dividends received															
Fines, penalties and interests	33	33	33	33	33	33	33	33	33	33	33	33	400	422	444
Licences and permits	0	0	0	0	0	0	0	0	0	0	0	0	5	5	6
Agency services															
Transfer receipts - operational	12 751	12 751	12 751	12 751	12 751	12 751	12 751	12 751	12 751	12 751	12 751	12 751	153 016	161 173	173 077
Other revenue															
Cash Receipts by Source	15 069	15 069	15 069	15 069	15 069	15 069	15 069	15 069	15 069	15 069	15 069	15 069	180 831	190 489	203 978
Other Cash Flows by Source															
Transfer receipts - capital															
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	2 484	2 484	2 484	2 484	2 484	2 484	2 484	2 484	2 484	2 484	2 484	2 484	29 809	31 306	33 460
Proceeds on disposal of PPE															
Short term loans															
Borrowing long term/refinancing															
Increase (decrease) in consumer deposits															
Decrease (increase) in non-current debtors															
Decrease (increase) other non-current receivables															
Decrease (increase) in non-current investments															
Total Cash Receipts by Source	17 553	17 553	17 553	17 553	17 553	17 553	17 553	17 553	17 553	17 553	17 553	17 553	210 640	221 795	237 438
Cash Payments by Type															
Employee related costs	5 267	5 267	5 267	5 267	5 267	5 267	5 267	5 267	5 267	5 267	5 267	5 267	63 208	66 623	70 953
Remuneration of councillors	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	15 327	16 155	17 205
Finance charges															
Bulk purchases - Electricity															
Bulk purchases - Water & Sewer															
Other materials															
Contracted services	3 328	3 328	3 328	3 328	3 328	3 328	3 328	3 328	3 328	3 328	3 328	3 328	39 931	38 167	40 250
Transfers and grants - other municipalities															
Transfers and grants - other	217	217	217	217	217	217	217	217	217	217	217	217	2 600	2 740	2 888
Other expenditure	2 835	2 835	2 835	2 835	2 835	2 835	2 835	2 835	2 835	2 835	2 835	2 835	34 020	35 657	37 794
Cash Payments by Type	12 924	12 924	12 924	12 924	12 924	12 924	12 924	12 924	12 924	12 924	12 924	13 314	155 477	159 873	169 523
Other Cash Flows/Payments by Type															
Capital assets	5 487	5 487	5 487	5 487	5 487	5 487	5 487	5 487	5 487	5 487	5 487	5 487	65 848	31 908	33 460
Repayment of borrowing															
Other Cash Flows/Payments															
Total Cash Payments by Type	18 411	18 411	18 411	18 411	18 411	18 411	18 411	18 411	18 411	18 411	18 411	18 801	221 325	191 879	202 983
NET INCREASE/(DECREASE) IN CASH HELD	(858)	(858)	(858)	(858)	(858)	(858)	(858)	(858)	(858)	(858)	(858)	(858)	(1 248)	(10 685)	28 916
Cash/cash equivalents at the month/year begin:	122 283	121 425	120 567	119 709	118 851	117 993	117 135	116 277	115 419	114 561	113 703	112 845	122 283	111 597	141 514
Cash/cash equivalents at the month/year end:	121 425	120 567	119 709	118 851	117 993	117 135	116 277	115 419	114 561	113 703	112 845	111 987	111 029	100 912	170 430

2.11 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

Ndwedwe Municipality does not have the contracts that are awarded beyond the medium-term revenue and expenditure framework (three years)..

2.12 CAPITAL EXPENDITURE DETAILS

Table 21: The following table present details of the municipality capital expenditure programme,

Description	2019/2020 Budget		2019/2020 Actuals		
	2019/2020 Budget	2019/2020 Budget	2019/2020 Actuals	2019/2020 Actuals	2019/2020 Actuals
Capital Expenditure	11 000 000	11 000 000	11 000 000	11 000 000	11 000 000
Infrastructure	10 000 000	10 000 000	10 000 000	10 000 000	10 000 000
Roads	10 000 000	10 000 000	10 000 000	10 000 000	10 000 000
Main Roads	10 000 000	10 000 000	10 000 000	10 000 000	10 000 000
Local Roads	—	—	—	—	—
Footpaths	—	—	—	—	—
Bridges	—	—	—	—	—
Drainage	—	—	—	—	—
Water Supply	—	—	—	—	—
Sanitation	—	—	—	—	—
Electricity	—	—	—	—	—
Telecommunications	—	—	—	—	—
Other	—	—	—	—	—
Water Supply	—	—	—	—	—
Sanitation	—	—	—	—	—
Electricity	—	—	—	—	—
Telecommunications	—	—	—	—	—
Other	—	—	—	—	—
Water Supply	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Water Treatment Works	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Water Distribution	—	—	—	—	—
Water Storage	—	—	—	—	—
Water Meters	—	—	—	—	—
Water Pipes	—	—	—	—	—
Water Pumps	—	—	—	—	—
Water Valves	—	—	—	—	—
Water Fittings	—	—	—	—	—
Water Equipment	—	—	—	—	—
Water Labour	—	—	—	—	—
Water Materials	—	—	—	—	—
Water Transport	—	—	—	—	—
Water Other	—	—	—	—	—
Sanitation	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Sanitation Works	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Sanitation Distribution	—	—	—	—	—
Sanitation Storage	—	—	—	—	—
Sanitation Meters	—	—	—	—	—
Sanitation Pipes	—	—	—	—	—
Sanitation Pumps	—	—	—	—	—
Sanitation Valves	—	—	—	—	—
Sanitation Fittings	—	—	—	—	—
Sanitation Equipment	—	—	—	—	—
Sanitation Labour	—	—	—	—	—
Sanitation Materials	—	—	—	—	—
Sanitation Transport	—	—	—	—	—
Sanitation Other	—	—	—	—	—
Electricity	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Electricity Works	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Electricity Distribution	—	—	—	—	—
Electricity Storage	—	—	—	—	—
Electricity Meters	—	—	—	—	—
Electricity Pipes	—	—	—	—	—
Electricity Pumps	—	—	—	—	—
Electricity Valves	—	—	—	—	—
Electricity Fittings	—	—	—	—	—
Electricity Equipment	—	—	—	—	—
Electricity Labour	—	—	—	—	—
Electricity Materials	—	—	—	—	—
Electricity Transport	—	—	—	—	—
Electricity Other	—	—	—	—	—
Telecommunications	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Telecommunications Works	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Telecommunications Distribution	—	—	—	—	—
Telecommunications Storage	—	—	—	—	—
Telecommunications Meters	—	—	—	—	—
Telecommunications Pipes	—	—	—	—	—
Telecommunications Pumps	—	—	—	—	—
Telecommunications Valves	—	—	—	—	—
Telecommunications Fittings	—	—	—	—	—
Telecommunications Equipment	—	—	—	—	—
Telecommunications Labour	—	—	—	—	—
Telecommunications Materials	—	—	—	—	—
Telecommunications Transport	—	—	—	—	—
Telecommunications Other	—	—	—	—	—
Other	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Other Works	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Other Distribution	—	—	—	—	—
Other Storage	—	—	—	—	—
Other Meters	—	—	—	—	—
Other Pipes	—	—	—	—	—
Other Pumps	—	—	—	—	—
Other Valves	—	—	—	—	—
Other Fittings	—	—	—	—	—
Other Equipment	—	—	—	—	—
Other Labour	—	—	—	—	—
Other Materials	—	—	—	—	—
Other Transport	—	—	—	—	—
Other Other	—	—	—	—	—
Total Capital Expenditure	11 000 000	11 000 000	11 000 000	11 000 000	11 000 000

Table 22: Detailed capital budget

KZN293 Ndwedwe - Supporting Table SA36 Detailed capital budget

2019/20 Medium Term Revenue & Expenditure Framework				
Expenditure Framework				
Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22		
Parent municipality:				
List all capital projects grouped by Function				
Administrative and Corporate Support	Municipal Fleet	6 000	-	-
Community Halls and Facilities	Furniture and Office Equipment	200	-	-
Community Halls and Facilities	Computer Equipment	150	-	-
Community Halls and Facilities	Buy Back Structure (Phase One)	1 000	600	-
Economic Development/Planning	Computer Equipment	60	-	-
Economic Development/Planning	Furniture and Office Equipment	100	-	-
Economic Development/Planning	Other Assets (Corridor Development)	1 000	-	-
Finance	Computer Equipment	100	-	-
Finance	Furniture and Office Equipment	140	-	-
Mayor and Council	Motor Vehicles For Mayor, Deputy Mayor and Speaker	2 300	-	-
Municipal Manager, Town Secretary and Chief Executive	Computer Equipment	150	-	-
Property Services	Computer Equipment	75	-	-
Property Services	Furniture and Office Equipment	580	-	-
Roads	Construction of Nhlanguwini Sports-field	1 900	-	-
Roads	Construction of Mangangeni Community Hall & Creche in Ward 19	5 123	-	-
Roads	Construction of Ndwedwe Testing Center	13 504	-	-
Roads	Construction of Mona Community Hall & Creche Ward 15	-	10 306	11 015
Roads	Computer Equipment	30	-	-
Roads	Ndwedwe /Bhamshela Street Light	1 150	-	-
Roads	Generator Installation	1 500	-	-
Roads	Construction of Technical Dept Offices	2 500	-	-
Roads	Roads Infrastructure (Access Road Mthebeni in ward 14)	300	-	-
Roads	Construction of Noorsburg Access Road	800	-	-
Roads	Roads Infrastructure (Access Road Febe in ward 2)	1 500	9 000	9 619
Roads	Construction of Ethafeni Access Road	1 593	-	-
Roads	Construction of Chamani Access Road in Ward 16	1 753	-	-
Roads	Construction of Gudintaba Access Road in Ward 17	2 753	-	-
Roads	Construction of KwaNovimba Access Road in Ward 17	3 466	-	-
Roads	Construction of Nambithane Access Road in Ward 5	5 739	-	-
Roads	Construction of Zesulwe Access Road Ward 7	9 382	-	-
Roads	Construction of Mahedeni Bridge	-	12 000	12 826
Roads	Augmentation of water supply	1 000	-	-
Parent Capital expenditure		65 848	31 906	33 460
Entities:				
List all capital projects grouped by Entity				
Entity A				
Water project A				
Entity B				
Electricity project B				
Entity Capital expenditure		-	-	-
Total Capital expenditure		65 848	31 906	33 460

2.13 LEGISLATION COMPLIANCE STATUS

Ndwedwe Municipality Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

IDP

The 2019/2020 IDP review process is currently underway. All comments made by the community and key stakeholders are considered in reviewing the IDP.

In-year reporting

Reporting to Provincial Treasury and National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) is also done on monthly basis.

Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.

Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

Audit Committee

An Audit Committee has been established and is fully functional.

Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2019/2020 MTREF in May 2019 to be directly aligned and informed by the 2019/2020 MTREF.

Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

MFMA Training

The MFMA training module in electronic format is presented at the Municipality and training is ongoing.